FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-95-071
Thursday
13 April 1995

Daily Report
East Asia

FBIS-EAS-95-071 CONTENTS *13 April 1995*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

ASEAN Cancels Meeting With Proposed EAEC Members *[BANGKOK POST 13 Apr]* 1
Aviation Pact Signed Under Growth Triangle *[BANGKOK POST 11 Apr]* 1

NORTHEAST ASIA

Japan

Tokyo Rejects U.S. Demand on Engine Inspection *[KYODO]* 2
MITI Negative on Suggestion To Curb Car Exports *[KYODO]* 2
Takemura To Discuss Exchange Rates With Rubin *[KYODO]* 2
Ruling Parties Draft Economic Package *[KYODO]* 2
  Highlights of Draft *[KYODO]* 3
Economic Package To Specify Policy on Surplus *[KYODO]* 3
BOJ Head: High Yen Fuels Economic Uncertainty *[KYODO]* 4
'Differences' Surface Over Yen Measures *[NIHON KEIZAI SHIMBUN 11 Apr]* 4
Decontrol, Public Works Plans To Be Expedited *[KYODO]* 5
Government Action Urged Against Yen's Rise *[YOMIURI SHIMBUN 12 Apr]* 6
Editorial Urges BOJ To Lower Discount Rate *[ASAHI SHIMBUN 5 Apr]* 7
U.S. Moves To Cut Aid Worry Foreign Minister *[KYODO]* 8
Talks With DPRK Likely 'as Early as May' *[KYODO]* 8
Japan, DPRK Embassy Officials Reportedly Meet *[KYODO]* 8
Rybkin on Bilateral Solution on Northern Islands *[KYODO]* 9
Qiao, Kono Agree To Develop Sino-Japan Ties *[KYODO]* 9
PRC To Use Plutonium for Power Plants *[KYODO]* 9
Industry To Foster China's Oil Development *[KYODO]* 10
Think Tank Sees Rosy Future for Hong Kong *[KYODO]* 10
Poll on Tokyoites Without Party Affiliation *[KYODO]* 10
Igarashi Urges Caution Over Expo Decision *[KYODO]* 11
Hosokawa Comments on Current Political Situation *[KYODO]* 11
SDP Urged To Move to New Party Before Poll *[KYODO]* 11
* Fluidity Continues in Political Groupings *[SEIKAI SHUNJU Mar]* 12
Editorial Urges Parties To Resurrect Democracy *[YOMIURI SHIMBUN 11 Apr]* 15

Mongolia

Prime Minister 'Satisfied' With Russia Visit *[ITAR-TASS]* 16

North Korea

Commentary Questions U.S. Purpose in Talks *[KCNA]* 16
Envoy: North Rejects ROK Light-Water Reactor *[Islamabad International]* 17
Taejonggyo Leader, Public ROK Figure Arrive *[KCNA]* 17
  Visit Tomb of King Tangun 12 Apr *[KCNA]* 17
10-Point Program of National Unity Hailed Abroad *[KCNA]* 18
Vice Premier Meets PRC Cultural Delegation *[KCNA]* 18
Korean Traders in Japan on DPRK-Japan Accord *[KCNA]* 18
Activities of Nepalese Delegation Reported 18
  Education Minister Interviewed *[KCNA]* 18
  Parliamentary Talks Held 12 Apr *[KCNA]* 19
Indian Party Adopts Resolution on DPRK *[KCNA]* 19

- Foreign Papers Describe Economic, Trade Zone *[KCNA]* ... 19
- More Reportage on Spring Friendship Festival ... 19
  - Foreign Acrobats Perform *[KCNA]* ... 19
  - Overseas Koreans Perform *[KCNA]* ... 20
  - More Foreign Art Troupes Perform *[KCNA]* ... 20
- Kim Chong-il Sends Thanks to Officials, Builders *[KCNA]* ... 21
- Kim Chong-il Indonesian Visit Anniversary Noted *[KCNA]* ... 21
- Indonesian Embassy Officials Visit University *[KCNA]* ... 22
- Paper's Essay Lauds Kim Il-song, Kim Chong-il *[KCNA]* ... 22
- More Activities Mark Kim Il-song's Birthday *[KCNA]* ... 22
  - Iranian Envoy Hosts Reception *[KCNA]* ... 23
  - Anniversary Commemorated Abroad *[KCNA]* ... 23
  - More Foreign Countries Celebrate *[KCNA]* ... 24
  - People Visit Mangyongdae House *[KCNA]* ... 24
  - Meari Acoustics Center Built *[KCNA]* ... 25
  - Kim Il-song's Contributions Noted *[KCNA]* ... 25
- Overseas Koreans, Foreigners Visit Kim's Statue *[KCNA]* ... 25
- Vols. 10, 11 of Kim Il-song's Works Published *[KCNA]* ... 26
- Seminars on 'Greatness' of Kim Il-song Held *[KCNA]* ... 26
- Paper Praises Kim Il-song Reunification Program *[KCNA]* ... 27
- Power Plant Overfulfilling Daily Production Plan *[Pyongyang Radio]* ... 27
- Importance of Chuche Idea in Strengthening Army *[KCNA]* ... 27
- * Party Implements 'Politics of Benevolence' *[NODONG SINMUN 13 Dec]* ... 28

South Korea

- No Progress Said in U.S.-DPRK Berlin Talks *[YONHAP]* ... 29
- U.S.-DPRK Experts Fail To Hold 2d Session *[YONHAP]* ... 30
- North Korean Religious Organizations Profiled *[CHOSON ILBO 13 Apr]* ... 30
- Farmers Protest U.S. Trade Pressure for Opening *[HANGUK ILBO 13 Apr]* ... 32
- Seoul Negotiates Solution to U.S. Trade Dispute *[YONHAP]* ... 33
- Civilian Use of U.S. Army Pusan Pier Studied *[SEOUL SINMUN 13 Apr]* ... 33
- President Meets Visiting Japanese Businessmen *[YONHAP]* ... 33
- Vietnam's Do Muoi Addresses Economic Seminar *[MAEIL KYONGJE SINMUN 13 Apr]* ... 34
- SRV Foreign Minister Discusses Bilateral Ties *[YONHAP]* ... 35
  - Views Supporting Seoul's UNSC Bid *[YONHAP]* ... 35
- Egypt Agrees to Ambassador-Level Relations *[YONHAP]* ... 36
  - Considered 'New Diplomatic Gain' *[YONHAP]* ... 36
- Mongolian Prosecutor General Visits Minister An *[YONHAP]* ... 37
- *President Kim Holds Economic Ministers Meeting ... 37
  - Direction of Conglomerate Policy *[HANGUK ILBO 10 Feb]* ... 37
  - New Policy To Support Small Business *[SEOUL SINMUN 10 Feb]* ... 38
- Senior Presidential Aide Resigns for Elections *[YONHAP]* ... 40
- DLP Considering Federal Officials for Mayorship *[THE KOREA TIMES 13 Apr]* ... 40
- Pak Suggests Alignment With DLP for Election *[YONHAP]* ... 41
- *DLP Opens Political Science Research Institute *[CHUGAN CHOSON 16 Feb]* ... 41

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

- Program To Repatriate Boat People Announced *[BERITA HARIAN 12 Apr]* ... 44
- MCA Chief Urges Urban Chinese To Vote for BN *[NEW STRAITS TIMES 10 Apr]* ... 44

Cambodia

- Government Assault on Pailin Said 'Imminent' *[THE CAMBODIA TIMES 26 Mar-1 Apr]* ... 45
- Khmer Rouge Predict Victory in 'Very Near Future' *[Radio PGNUNS]* ... 45
- Khieu Samphan Delivers New Year Message *[Radio PGNUNS]* ... 46
- Phnom Penh Appeals for Food Aid for Residents *[Phnom Penh Radio]* ... 47

Indonesia

Official Denies Reported Killing of GPK Members *[KOMPAS 12 Apr]* ... 48
Hartono Explanation of Liquica Case Viewed *[SUARA KARYA 8 Apr]* ... 48
Air Surveillance in South China Sea Intensified *[SUARA KARYA 11 Apr]* ... 49
Editorial Supports Holding Asia-Europe Summit *[KOMPAS 6 Apr]* ... 49

Philippines

Leader of Ipil Massacre Reportedly Identified *[Quezon City TV]* ... 50
Camp Crame Tightens Security Against Escape *[Quezon City TV]* ... 51

Thailand

Burmese Soldiers Killed in Tachilek Explosions *[THE NATION 13 Apr]* ... 51
Burma Trade Continues Despite Border Closure *[BANGKOK POST 13 Apr]* ... 51
Exporters Said Using Banks To Cover Currency Risk *[BUSINESS DAY 13 Apr]* ... 52
Official on Rice Exports, Foreign Demand *[BUSINESS DAY 13 Apr]* ... 53
Ministry Orders Watch on 'Political Groups' *[BANGKOK POST 13 Apr]* ... 53

Vietnam

Reportage on Do Muoi's Visit to South Korea ... 54
    Speaks at Economic Symposium *[Hanoi Radio]* ... 54
    Meets Prime Minister 12 Apr *[VNA]* ... 55
    Commentary Praises Visit *[Hanoi International]* ... 56
Ministry Protests German Treatment of Vietnamese *[VNA]* ... 56
National Assembly Issues Communique No. 12 *[Hanoi Radio]* ... 56
* Academic on Plight of Non-Party Intellectuals ... 57
    * DAI DOAN KET Report *[17 Feb]* ... 57
    * Economist Sentenced *[LAO DONG 10 Jan]* ... 58

AUSTRALASIA

Cook Islands

Premier: CIA Plotting To Overthrow Government *[AFP]* ... 59

Papua New Guinea

Court Rejects Challenge to August Election *[Melbourne International]* ... 59

ASEAN Cancels Meeting With Proposed EAEC Members

BK1304032395 Bangkok BANGKOK POST in English 13 Apr 95 p 13

[Report by Nutsara Thaithawat]

[FBIS Transcribed Text] The Association of Southeast Asian Nations (ASEAN) has called off an informal meeting with Japan, South Korea, and China, targetted members of the proposed East Asian Economic Caucus (EAEC), set for later this month in Phuket.

Host Thailand earlier this week informed all concerned of the decision to call off the informal meeting, saying "some countries which were invited are not ready to attend," a diplomatic source confirmed.

The source also said Thailand reiterated its readiness to host an informal gathering between ASEAN and the three East Asian countries, very important potential EAEC members, sometime later.

The meeting had been set as part of a series of meetings of the ASEAN economic ministers from April 23, starting with the senior economic officials, economic ministers and the AFTA [ASEAN Free Trade Area] Council which will be chaired by Finance Minister Tharin Nimmanhemin.

The meetings, a mid-year gathering of the ASEAN economic ministers, will not only discuss economic issues but also prepare for the ASEAN Summit in Bangkok at the end of this year.

Last week, the Japanese Government announced that it would not send its minister of international trade and industry, Ryutaro Hashimoto.

Japanese media reported that Tokyo made the decision acknowledging that it could anger Malaysia, but it was concerned about a backlash from the United States.

Another informed source said Tokyo tried to salvage the informal meeting by asking Thailand to invite Australia and New Zealand, but Malaysia objected, confirming the initial gathering for ASEAN, Japan, South Korea and China.

Malaysia launched the EAEC initiative some five years ago, as a loose consultative body for East Asia to discuss trade, investment and other economic issues. Progress has been slow, with strong U.S. opposition.

In 1993, ASEAN managed to hammer out criteria for EAEC membership—only those countries which are members of the Asia Pacific Economic Cooperation (APEC)—but not yet on its scope.

At last year's ASEAN economic ministers' meeting in Chiang Mai, Deputy Prime Minister Suphachai Phanitchaphak suggested that EAEC could be officially launched addressing, at the initial stage, non-economic issues such as tourism. But Malaysian International Trade and Industry Minister Datuk Sri Rafidah Aziz insisted that EAEC was about trade and investment.

Dr Suphachai offered Thailand as host to an informal gathering between ASEAN and the three countries in Phuket. The U.S. no longer strongly opposes the EAEC but does not support it.

Aviation Pact Signed Under Growth Triangle

BK1104041095 Bangkok BANGKOK POST in English 11 Apr 95 p 3

[FBIS Transcribed Text] Indonesia, Malaysia and Thailand yesterday endorsed a memorandum of understanding (MoU) to extend the aviation network in each country as part of the northern growth triangle scheme.

The three countries can now begin the air transport service linking Thailand's Hat Yai, Pattani and Narathiwat, Malaysia's Penang, Langkawi and Ipoh; and Indonesia's Medan and Nias Island as economic zones to further promote trade, investment and cultural relations among the countries.

The signatories were represented by Foreign Minister Krasae Chanawong and the Malaysian and Indonesian ambassadors to Thailand Datuk Zainal Abidin bin Alias and Lt Gen I Gede Awet Sara.

"The MoU will extend air links between the three countries for closer relations and increased exchanges of goods, labour and transportation facilities," said Dr Krasae.

The signing was the result of a joint working committee meeting on air-route linkages in Hua Hin District of Prachuap Khiri Khan from November 3-4, 1994.

Under the memorandum, the three countries agreed on four main points:

—To operate both charter and scheduled flights;

—Each country can grant aviation rights to only two airlines in which the member countries must own or hold stakes or have control over;

—Carriage capacities and flight frequencies will not be limited unless there is a related bilateral agreement.

—Airlines under the Growth Triangle will be free to traffic and have rights to transport passengers and cargo from their own country to the other member nations and vice versa.

Indonesia and Malaysia have proposed two airlines each—Merpati Airlines and Sempati Air and Pelangi Air arid Mofaz Air respectively. Thailand has not named an airline but the concession is likely to go to THAI International.

"It is a confirmation of economic cooperation between the three ASEAN member countries. The MoU will help facilitate transportation and particularly aviation exchanges between one another," Dr Krasae said.

Japan

Tokyo Rejects U.S. Demand on Engine Inspection

OW1304010695 Tokyo KYODO in English 0030 GMT 13 Apr 95

[FBIS Transcribed Text] Washington, April 12 KYODO—Japan rejected a U.S. request for simplifying inspection procedures of main auto parts like engines, citing safety as the reason, at a working-level meeting in the bilateral framework talks, Japanese Government officials said.

The working-level consultation through Friday is to be followed by a two-day meeting of vice ministers on auto and auto parts trade from Monday.

The bilateral talks on the issue will focus on U.S. calls for decontrolling inspection systems of replacement auto parts and giving more foreign access to the auto dealership market, two points that were newly presented to Japanese negotiators in the previous consultations in Tokyo, according to the officials.

Washington has threatened to advance the deadline to decide whether or not to impose retaliatory Section 301 sanctions against imports from Japan for unfair business practices in the Japanese replacement auto parts market.

Autos and auto parts account for about two-thirds of Japan's 60 billion dollar annual trade surplus with the United States and are the major remaining issue in ongoing talks under a bilateral trade "framework."

MITI Negative on Suggestion To Curb Car Exports

OW1304082195 Tokyo KYODO in English 0741 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—A suggestion that Japan curb its auto exports as a step to combat the high yen is not "the right path," the country's senior trade official said Thursday [13 April].

The idea, reported in a newspaper earlier in the day, represents "opinion in some parties" but is not a formal topic for discussion in the government's package of yen-busting measures to be compiled Friday, said Tomio Tsutsumi, vice minister of international trade and industry.

The official told a regular news conference that with the economy in a "dangerous" state, restricting exports could delay recovery and would greatly affect smaller subcontractors that are particularly hard hit by the yen's surge.

"I don't think it's the right path," Tsutsumi said of the idea, reported in the morning's SANKEI SHIMBUN newspaper as a topic under consideration to crimp exports to slash Japan's huge trade surplus and thus relieve a main source of high-yen pressure.

The export curb idea does not appear in details of the planned measures revealed to KYODO NEWS SERVICE earlier in the day.

Takemura To Discuss Exchange Rates With Rubin

OW1304135095 Tokyo KYODO in English 1240 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Japanese Finance Minister Masayoshi Takemura will hold talks on Sunday [16 April] morning with U.S. Treasury Secretary Robert Rubin in Indonesia, an international financial source said Thursday.

The talks are expected to focus on bilateral cooperation to stem the yen's runaway appreciation against the dollar, the source said.

Takemura and Rubin will be attending a finance ministers' meeting of the 18-member Asia-Pacific Economic Cooperation (APEC) forum in Bali, Indonesia.

Takemura will tell Rubin that Japan is determined to reduce its large current account surplus with a package of pump-priming measures to be announced Friday, and ask the U.S. to take stronger action to defend the dollar, the source said.

Ruling Parties Draft Economic Package

OW1304035595 Tokyo KYODO in English 0327 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—The three ruling parties have drafted a comprehensive economic package to combat the yen's surge against the dollar, calling on the bank of Japan to reduce the key interest rate and advance the five-year deregulatory plan by two years, sources close to the parties said Thursday.

The yen package will be endorsed by the coalition government under Prime Minister Tomiichi Murayama on Friday [14 April] after leaders of the Liberal Democratic Party, new party Sakigake and the Social Democratic Party [Social Democratic Party of Japan—SDPJ] make a formal decision on the draft Thursday afternoon, the sources said.

The ruling parties' draft noted the yen's recent dramatic gain is having a "seriously adverse impact on the Japanese economy," which is believed to be on the course of steady recovery after nearly five years of recession.

The government is requested to trim the country's whopping annual trade surplus of 130 billion dollars through expanding domestic demand and imports and the restructuring of the economy from an export-led to a demand-oriented one, the draft said.

Easing regulations on imports and expansion of public procurement fields, the draft said, would combine to cut the politically sensitive trade surplus, which analysts said is behind the recent yen's surge.

In the draft, the ruling parties called on the government to bring forward by two years its five-year deregulatory plan, announced late March, that covers 1,091 items in 11 areas including distribution, housing, land use, transportation, information and telecommunications, to March 1998, according to the sources.

Meanwhile, the draft said, to take advantage of the strong yen, companies should be active in returning their windfall profits from the yen's advance to consumers and lowering price gaps between domestic and overseas products, they said.

On monetary policy, the ruling parties asked the central bank to reduce the official discount rate, on which the bank offer loans to commercial banks, and the government to work out a supplement budget for the current business year, which began April 1, 1995, with spending on public works centering on reconstruction of Kobe and its vicinity.

The Hanshin area was hit by the Jan. 17 Great Hanshin Earthquake, the sources said.

The official discount rate currently hovers at a historic low of 1.75 percent.

The other major measures proposed in the draft, are reviews of the global monetary system for internationalization of the yen as a world key currency, the studying of cuts in corporate taxes to revitalize the sluggish securities market and give support to small companies hard hit by the strong yen, the sources said.

Highlights of Draft

OW1304041395 Tokyo KYODO in English 0331 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—The following are highlights of a comprehensive economic package to combat the yen's rise against the U.S. Dollar, drafted Thursday [13 April] by the three ruling parties—the Liberal Democratic Party, new party Sakigake and the social democratic party [Social Democratic Party of Japan—SDPJ].

Currency policy:
- Flexible implementation of monetary policy,
- Concerted dollar-salvaging intervention by central banks of the group of seven industrialized nations,
- Reviews of the world currency system for internationalization of the yen.

Expansion of domestic demand:
- Compilation of a supplement to fiscal 1995 national budget,
- Implementation of public works,
- Flexible management of fiscal policies.

Advancement of the government's five-year deregulatory program and promotion of imports:
- Enhancement of effective import promotion measures,
- Decontrols on imports and improvement of business practices,
- Increases in government procurements.

Countermeasures against the soaring value of the yen:
- Soft loans or subsidies to strong yen-damaged small companies,
- Aid to those who lost jobs as a result of the strong yen.

Return of windfall profits from the strong yen to consumers:
- Steps to encourage companies to return windfall profits from the yen's sharp gain to consumers,
- Surveys and monitoring on price difference between domestic and overseas products.

Further economic restructuring:
- Development of new frontier industry fields,
- Shortening labor hours and promotion of leisure-related industries.

Others:
- Stabilization of the financial system,
- Revitalization of the securities market,
- Enlargement of the fair trade commission and strict implementation of antimonopoly law,
- Reviews of the tax system.

Economic Package To Specify Policy on Surplus

OW1304103995 Tokyo KYODO in English 0828 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Finance Minister Masayoshi Takemura said Thursday [13 April] that the government will reveal specific measures to cut Japan's huge trade surplus in a comprehensive economic package Friday to counter the yen's rapid rise against the dollar.

"We have to show a certain policy for firmly addressing the trade gap and current account issue tomorrow," Takemura said in a speech at the day's annual meeting of the Trust Companies Association of Japan.

Takemura said the government will do its utmost "to prevent the yen's recent surges from throwing cold water" on the moderately recovering economy and to make the economic recovery more certain.

As part of efforts to arrest the yen's unabated surges, Takemura pointed to the need to further proceed with structural reform of Japan's economy and "internationalization of the yen."

Takemura expressed his wish to take up the yen's recent gains at a meeting Saturday and Sunday in Bali, Indonesia, of finance ministers from the Asia-Pacific Economic Cooperation (APEC) forum.

"I want to discuss the currency issue not only as a Japanese problem but also as a topic common throughout the world at the APEC meeting," Takemura said.

To prop up the economy, Takemura stressed the importance of implementing as early as possible the government's five-year deregulation program, which was endorsed March 31.

He also urged prompt disposal of nonperforming loans, which all financial institutions have held largely as a result of the collapse of the "bubble" economy.

"It is important to overcome this flaw to activate the economy," he said.

The Finance Ministry has also studied measures to settle the issue as a whole, Takemura said.

Meanwhile, Takemura reiterated his hopes that Tokyo Governor-Elect Yukio Aoshima would finally provide 30 billion yen in financial aid to the government-led bailout of two failed credit unions from his forthcoming administration's coffer.

"I'm expecting his (Aoshima's) understanding and appropriate judgment on the scheme as a top administrator in charge of directly supervising the credit unions," Takemura said.

After winning Sunday's gubernatorial election in Tokyo, Aoshima confirmed his opposition to putting up the 30 billion yen for the bailout from Tokyo taxpayers' money.

BOJ Head: High Yen Fuels Economic Uncertainty

OW1304073795 Tokyo KYODO in English 0653 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Bank of Japan [BOJ] Governor Yasuo Matsushita on Thursday [13 April] voiced concern over Japan's economic outlook amid the yen's continued sharp gains against the dollar.

Matsushita said in a speech to an annual meeting of the Trust Companies Association of Japan, "partly due to the yen's recent quick appreciation on foreign exchange dealings, uncertainty is growing over the economic outlook."

Although Japan's economy remains on a moderate recovery path, the pace seems to have slowed from before, Matsushita said.

As unfavorable factors, Matsushita cited unsteady recovery in individual consumption, still sluggish corporate capital spending, slower pace in production growth and little improvement in nonmanufacturers' business confidence.

Under the circumstances, the central bank has decided on and implemented a step to drive short-term money market rates drastically lower with a view to making economic recovery more certain, Matsushita said.

Such a step has effectively helped lower interest rates on a broad front now that liberalization of interest rates is completed, he said.

Matsushita said the central bank will continue carefully monitoring monetary and economic developments, while expecting this "credit easing" to make economic recovery more certain.

In currency markets, the bank of Japan will continue efforts to stabilize foreign exchange rates, Matsushita said, pointing to the importance for taking action in a timely and appropriate manner through continued close contact with other nations.

Meanwhile, Matsushita said the nation's financial system is facing a challenge to overcome the problem of nonperforming assets as early as possible.

Bad loans have yet to be actually collected to make use of their proceeds as new operating funds, he said.

In this regard, Matsushita reiterated that the government-led bailout plan for two failed Tokyo-based credit unions is a necessary and inevitable measure to stabilize the financial system which is under severe conditions.

The plan, however, has brought up various questions to be discussed further, he said.

The central bank will deepen discussion with people concerned in the issue, including ways to promptly bail out troubled financial institutions, avoid problems for depositors and to help a principle of self-responsibility take root, Matsushita said.

Matsushita said remaining challenges for the financial system include promoting competition by deregulation, strengthening risk management by financial institutions, making better use of market mechanisms through disclosure and improving monetary infrastructure such as accounting systems.

'Differences' Surface Over Yen Measures

OW1204145895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Apr 95 Morning Edition p 5

[FBIS Translated Text] In an effort to stem the yen's sharp rise in value, the government has decided to draw up as early as 14 April a program to combat the yen's appreciation. However, differences in view have already surfaced among politicians, bureaucrats, and government offices. The Ministry of Finance [MOF] is cautious about measures to stimulate stock prices—including a plan to cut securities trading tax, which the ruling parties and the Ministry of International Trade and Industry [MITI] have proposed. At the same time, the MITI opposes a MOF and Economic Planning Agency [EPA]-proposed program aimed at giving the benefits from the yen's appreciation to consumers by lowering electricity and gas charges.

The various government offices have therefore compelled each other to devise concrete plans, rather than formulating them themselves. And observers increasingly feel it will be difficult for politicians and the bureaucrats, who are irritatingly making futile efforts to combat the soaring yen, to craft anything that could be effective.

After the yen surged to an exchange rate approaching 80 to the dollar on the morning of 10 April, Prime Minister Tomiichi Murayama called EPA Director General Masayoshi Komura to his official residence, and ordered him to prepare a program to halt the rise of the yen. At the news conference that followed, the media asked Komura about the kind of steps that would be taken to pass on to consumers the benefits resulting from the yen's appreciation, and to stimulate the stock market?"

Blushing, Komura replied: "We will try to make an effective package." Asked to be more specific, he merely said: "We will start discussions soon."

The MOFA and the MITI officials in charge have been working on the package without a break since the government decided on 7 April to formulate a yen-curbing program. At the same time, with an eye on the unified local elections, Koichi Kato, chairman of the Liberal Democratic Party [LDP] Policy Research Council, has stressed the need to implement urgent measures, including steps to raise stock prices. Preparations for the concrete measures, though, have so far made slow progress.

In addition to Kato, MITI Minister Ryutaro Hashimoto and senior MITI officials have repeatedly stressed the need to incorporate drastic measures in the package, saying: "Activating the stock market is essential to prevent further stock price falls." The MOF, however, has been reluctant to accept the proposal to cut securities transactions tax.

At a news conference held on the afternoon of 10 April, vice MOF minister Jiro Saito was cautious about such a move, saying: "It is not the time to implement a tentative cut." A senior official at the MOF Tax Bureau said: "They confused stock market stimulus measures with steps to halt the increasing value of the yen. There is even a possibility that tax reduction would trigger a further rise in the yen if the market responds favorably."

Similar circumstances surround the plan to pass on to consumers the benefits from the yen's appreciation.

The MOF and the EPA have strongly demanded: "In an effort to highlight the advantages, rather than the disadvantages, of the increased value of the yen, radical measures should be carried out to pass on the benefits to consumers."

A senior MOF official openly said: "The electrical and gas industries' plan to lower charges should be included in the package."

MITI, however, has responded coolly to their demand. A senior official at the Natural Resources and Energy Agency said: "The electricity and gas charges are decided after analyzing trends in exchange rates and crude oil prices over the past three months. However, profits from the yen's rise in value have not been that big because of a corresponding rise in crude oil prices."

The MOF and the MITI have also urged the Labor Ministry to devise a new employment program, saying: "A new program is necessary for medium and small companies." A senior Labor Ministry official, however, rejected the idea, saying: "We have already decided to launch in July a new employment program to deal with the hollowing-out of domestic industries."

If government offices keep compelling each other to devise new measures, the package is very likely to consist only of existing steps and those they have already agreed to implement. If that happens, markets will be disappointed with the rehash of ideas, and the yen will appreciate yet further.

Decontrol, Public Works Plans To Be Expedited

OW1304104695 Tokyo KYODO in English 1010 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Japan will expedite its promised deregulation and public works plans and quickly draft a supplementary budget to fight the soaring yen but likely shy away from bolder action, government sources said Thursday [13 April].

A yen-busting package to be approved by the cabinet Friday will likely backpedal from a stock market-boosting tax break and current account surplus-cutting targets, as those measures were stifled by Finance Ministry and other bureaucrats, they said.

The government is likely to include steps meant to promote imports, help small- and medium-size companies particularly hard hit by the yen's string of postwar highs and measures to pass along the benefits of the high yen, the sources said.

It was unclear if the plan, being thrashed out by the three ruling coalition parties, will explicitly urge the Bank of Japan (BOJ) to cut its benchmark lending rate as part of a "flexible" monetary policy, as sources had said earlier in the day.

The package, ordered this week by Prime Minister Tomiichi Murayama, aims at boosting domestic demand and thus imports to cut Japan's 130 billion dollar annual trade surplus, seen as a fundamental source pushing the yen higher and threatening the nation's nascent economic recovery.

The core of the plan is accelerating the nation's five-year, 1,091-item deregulation plan by two years, hurrying enactment of a supplement to the current state budget and front-loading public works investment, the sources said.

They said the idea of targeted decreases in the current account surplus, an idea floated Monday in Liberal Democratic Party discussions, would likely not be spelled out in the package.

finance minister Masayoshi Takemura said Thursday the government will reveal specific surplus-cutting measures, although he did not vow numerical targets. Ministers from Murayama on down as well as top economic bureaucrats, stressed the difficulty of such targets earlier in the week but did not specifically rule them out.

"We have to show a certain policy for firmly addressing the trade gap and current account issue," Takemura said in a speech.

The idea of cutting the securities transaction tax in hopes of spurring the floundering stock market, championed by trade minister Ryutaro Hashimoto, will be mentioned in the plan only as a "mid-term topic," the sources said.

The plan will call for submitting the supplement to the budget for fiscal 1995, which started this month, to the Diet as early as next month to boost domestic demand and counter not only the damage of January's Kobe earthquake but also the effects of the high yen, the sources said.

Government Action Urged Against Yen's Rise

OW1204151095 Tokyo YOMIURI SHIMBUN in Japanese 12 Apr 95 Morning Edition p 3

[Editorial: "Come Up With an Aggressive Package of Measures To Cope With Yen Appreciation"]

[FBIS Translated Text] Prime Minister Tomiichi Murayama's administration has finally decided to buckle down and work out a comprehensive package of measures to deal with the yen's apparently endless appreciation against other currencies. The package of measures is to be officially decided on during a 14 April cabinet meeting. The Liberal Democratic Party and other parties in the ruling coalition are also concurrently working out their own sets of anti-yen appreciation measures.

To halt further yen increases and dollar drops, and to ensure economic recovery, the government must send out signals directed both inside and outside the country indicating its strong determination to defend the yen from further appreciation by finalizing a package of bold, concrete measures that will produce definite results.

The government should be prepared with such a package when the Japanese finance minister and the U.S. treasury secretary meet during the finance ministers' meeting at the Asia-Pacific Economic Cooperation (APEC) forum this weekend, and the meeting of finance ministers and central bankers of the seven major industrialized nations [G-7] scheduled for this month. In particular, the government should urge the United States to participate in policy coordination to prevent a further weakening of the dollar.

Early in the year, the exchange rate was around 100 yen to the U.S. dollar. Because the government failed to take any action, the yen began soaring and has continued to rise until it almost went beyond the 80-yen-to-the-dollar level early this week. Although the Tokyo Foreign Exchange Market seems to have calmed down as of 11 April, following the yen's extremely sharp increase, the pressure on dollar selling has not disappeared.

According to the economic outlook forecast by major economic research institutions, the recovering economy will inevitably buckle if the dollar-to-yen exchange rate continues to remain around the current low 80 yen level.

On 11 April, the Economic Planning Agency [EPA], which has continued to maintain that the economy is moving toward recovery, indicated strong concerns over the yen's sharp rise in its monthly report, saying: "It may possibly have adverse effects on the economy."

To prevent further yen appreciation and keep the recovering economy from buckling, it is necessary to first set numerical targets for reducing the current accounts and trade surpluses that are the fundamental causes of the yen's appreciation and the dollar's drop. In this way, the government can show its own people and the international community its strong political determination to defend the yen against further appreciation.

To make this possible, the government must clearly indicate such concrete measures as further deregulation, promotion of market liberalization, and front-loading of the 630 trillion yen public works projects.

Moreover, the government must specifically incorporate such steps as the following as tentative measures: 1) Lowering the official discount rate; 2) Prompt compilation of a bold supplementary budget for the great Hanshin earthquake rehabilitation and anti-yen appreciation measures; and 3) Lowering of electricity, gas, and other public utility charges so as to return yen-appreciation profits to the people. A continuation of flexible and aggressive market intervention is also necessary.

During a 10 April news conference, EPA Director General Masahiko Komura, after receiving orders from Prime Minister Murayama to compile a package of measures to cope with the yen's appreciation, cited major points in the package. These included such steps as incorporating the package of measures into the supplementary budget, stronger measures to aid medium and small enterprises, and promotion of structural reform.

However, if this is all the government plans to do, it is no different from conventional action that the government has repeatedly taken in the past in response to the yen's appreciation. Looking at behind-the-scenes maneuvers, all we see is "the bureaucrats' logic" in control as usual, with bureaucrats trying to prevent undesirable steps from being included in the package of measures. We must not allow this package to be a mere formality with no real content.

An empty package of measures will only disappoint those concerned with the exchange markets and further accelerate the yen's appreciation and the dollar's drop.

It was reported that during the 10 April meeting of leaders of the government and ruling coalition parties, Finance Minister Masayoshi Takemura expressed dissatisfaction with the U.S. Government for the latter's lack of efforts to defend the dollar. For the finance minister to take such a carefree attitude—laying the blame on others while failing to take necessary actions—is out of the question.

The Murayama administration must lay down a decision, looking at the situation from a broad viewpoint. If it fails to do this, the yen's rise cannot be prevented, economic recovery cannot be ensured, and the administration will not be able to regain public confidence regarding economic policies.

Editorial Urges BOJ To Lower Discount Rate

OW1304132795 Tokyo ASAHI SHIMBUN in Japanese 5 Apr 95 Morning Edition p 5

[Editorial: "Bank of Japan Urged Not To Hesitate Lowering Discount Rate"]

[FBIS Translated Text] The yen-dollar exchange rate has become quite abnormal. The speculative run on the dollar that began again at the end of last week has pushed up the yen's value to yet another postwar high of 85 yen to the dollar. This is a level the Japanese economy cannot tolerate. Tokyo stock prices also sank to a quagmire, with the Nikkei average dropping to the 15,000 yen mark.

There is no way out for the Bank of Japan [BOJ] other than to lower the official discount rate, even though it would be late in doing so. And the government should promptly announce the scale and content of a large supplementary budget for coping with the overvalued yen as well as helping to rebuild the area damaged by the great Hanshin earthquake. If the nascent economic recovery after so many years of slump loses steam as a result of the appreciated yen, it will not only increase the budget deficit, but also delay the unburdening of bad loans by banks, which, in turn, could cause a run on banking institutions.

It was a mistake for the BOJ to have refused to lower the discount rate and not go beyond announcing its policy of inducing lower interest rates for short-term loans in the money market. It misunderstood the market's psychology.

Germany's Bundesbank unexpectedly lowered its discount rate at the end of last month for the first time in 10 months by 0.5 of a percentage point. That was intended to restrain currency jitters among its European neighbors stemming from the high value of the German mark as a result of the weak dollar.

It is not surprising that the foreign currency markets expected that Japan, which is in greater trouble than Germany because of the strong yen and the weak dollar, would follow suit in lowering its discount rate. But the markets were disappointed as the BOJ did not do so, resulting in further speculative selling of dollars for yen.

The BOJ had its reason for not lowering the discount rate. It persisted in an excessively easy money policy for the purpose of preventing the rising exchange rate of the yen in the latter half of the 1980's, which resulted in the skyrocketing of stock and land prices. Out of such a bitter experience, the BOJ does not want to repeat the policy of low interest rates to prevent the high yen. The BOJ was also influenced by its judgment that inducing lower interest rates in the money market will have a stronger impact on the real economy than the lowering of the official discount rate in an age of liberalized interest rates.

While the official discount rate is at a record low of 1.75 percent per annum, market rates are fairly high on account of stable prices. Besides, there is little danger of the economic bubble inflating again by the lowering of interest rates for some time to come, as stock and land prices have been declining. The lesson learned from the economic bubble years should be harnessed for quickly changing the official discount rate. What is important is the timing for raising or lowering the discount rate.

Even if the BOJ lowers the discount rate, it cannot be expected that confidence in the market will be turned around overnight. Now that a pall hangs over the economy's future, the BOJ's procrastination will only aggravate the situation.

To make the interest-rate change more effective, it is desirable to call on the United States to raise its interest rates in concert with Japan's move. It is a welcome development that the United States has begun to intervene in the market by buying up the dollar in its belief that "the strong dollar is in the best interest of the United States," as Treasury Secretary Robert Rubin said. A high economic growth rate at 5.1 percent in the October-December period of last year, the highest rate in the last 10 years, is also a factor that speaks for raising interest rates.

Finance Minister Masayoshi Takemura made a remark urging the BOJ to lower interest rates because he is well aware that changing the discount rate comes within the BOJ's purview. His remark is proof of the government's impotence to take effective measures against the high yen. The only remedy for the excessively strong yen is the steady reduction in the current account surplus through stimulation of domestic demand and opening of the domestic market.

In this connection, the fact that the program for consolidating or abolishing government-owned corporations and the five tangible results.

If business firms make a headlong rush toward reduction in employment or shifting the effects of the high yen to their subcontractors, they will only fall into a vicious circle of a further spiraling of the yen. It is hoped that instead, they will raise the dollar-denominated prices of their exports or switch the dollar-denominated prices into yen-denominated prices. What is needed now is to build up corporate strength that is resilient to the strong yen.

U.S. Moves To Cut Aid Worry Foreign Minister

OW1304101395 Tokyo KYODO in English 0945 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Foreign Minister Yohei Kono has voiced concern over recent calls within the United States to cut its economic aid to developing countries, a senior Foreign Ministry official said Thursday [13 April].

Kono wrote to U.S. Secretary of State Warren Christopher last week to express Japan's concern and to urge the U.S. to continue extending aid to developing countries together with Japan, the official said.

The U.S. follows Japan as the second largest donor of official development assistance, providing 9.7 billion dollars in 1993. Japan extended 11.26 billion dollars.

But some republicans have recently been calling for sharp reductions in the U.S. foreign aid budget as well as closures of overseas branches of the U.S. Agency for International Development, the official said.

Talks With DPRK Likely 'as Early as May'

OW1304094295 Tokyo KYODO in English 0915 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Japan and North Korea are likely to resume as early as May government-level talks aimed at establishing diplomatic relations, the head of last month's mission to North Korea said Thursday [13 April].

"I think they can start by around May," said former Foreign Minister Michio Watanabe, who headed the delegation from the three ruling coalition parties to Pyongyang.

"There's an agreement to resume the talks as soon as possible...so it will start as early as May, but no later than six months later," he told a press conference at the Japan National Press Club.

"But that's on the condition that the accord between North Korea and the United States is abided by."

He did not, however, offer any other specific reasons as to why he thinks the talks may resume as early as may.

The Japanese delegation and Pyongyang's Workers Party of Korea issued a joint statement last month calling for the unconditional resumption of talks on establishing diplomatic ties.

Government sources said Thursday that Japanese and North Korean embassy officials in Beijing met unofficially earlier this week and discussed preparations for resumption of the normalization talks.

It was the first meeting of government officials of the two countries since Watanabe's trip to Pyongyang.

Normalization talks between Japan and North Korea broke down in the eighth round in November 1992 when the North Korean delegation stormed out of the meeting in protest at Japan's demands for information about a Japanese woman believed to have been abducted by Pyongyang to train a North Korean terrorist.

Watanabe said although Japan would have to bring the issue of the woman, known as Yi Un-hye, to the negotiating table for humanitarian reasons, it should not make it a "condition" for normalizing relations with Pyongyang.

North Korea would never disclose information on Yi Un-hye "because that means admitting it is a terrorist country," Watanabe said. "If Japan sticks to this, normalization of ties will never happen."

Watanabe, a senior member of the Liberal Democratic Party (LDP), said one reason he decided to go to North Korea was that he thought he had "political and moral responsibility" to reopen the channel between Tokyo and Pyongyang, closed since the eighth round of talks which were held when he was foreign minister.

Japan, DPRK Embassy Officials Reportedly Meet

OW1304061995 Tokyo KYODO in English 0613 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Japanese and North Korean Embassy officials in Beijing met unofficially earlier this week as a prelude to the resumption of normalization talks, government sources said Thursday [13 April].

It was the first meeting of government officials of the two countries since a delegation of Japan's ruling coalition and Pyongyang's Workers Party of Korea issued a joint statement last month calling for the unconditional resumption of talks on establishing diplomatic ties.

The two sides in Beijing reportedly discussed preparations and preliminary discussions for the resumption of the normalization talks last held in 1992. The Japanese Government and the three parties of the ruling coalition have indicated a desire to resume the talks sometime this month.

Pyongyang wants to base the renewed talks on a 1990 joint declaration calling for Tokyo to compensate North

Korea for damage suffered during Japan's 1910-1945 colonial rule over the Korean peninsula and for "postwar damage."

Rybkin on Bilateral Solution on Northern Islands

OW1304140995 Tokyo KYODO in English 1345 GMT 13 Apr 95

[FBIS Transcribed Text] Moscow, April 13 KYODO—The chairman of Russia's lower chamber said Thursday [13 April] the Russo-Japanese territorial dispute over four islands off Japan's northernmost main Island of Hokkaido cannot be resolved through bilateral negotiations.

"It's an issue which Russia and Japan cannot resolve without the signatory nations to the (San Francisco) Peace Treaty," Ivan Rybkin, chairman of the State Duma, said in an interview with Japanese reporters prior to his visit to Japan starting April 27.

"If Japan and Russia agree on a solution to the territorial dispute, it is possible that other countries will oppose it on the grounds of the peace treaty," Rybkin said.

The San Francisco Peace Treaty, signed by Japan and 48 other nations on Sept. 8, 1951, restored full sovereignty to Japan and ended the allied occupation of Japan.

Russia's predecessor, the Soviet Union, did not sign the treaty, formally called the Treaty of Peace With Japan.

By signing the treaty, Japan gave up sovereignty of the Kuril Islands, called the Chishima Islands in Japan, but has maintained its claim to four islands in the Southern Kurils which it calls the Northern Territories.

The Soviet union had always insisted that the four islands are part of the Kurils, and Russia continues with this position.

The Soviet Union seized the four islands just after World War II, prompting Tokyo to demand the return of the islands and keeping the two countries from signing a peace treaty to formally end hostilities.

Qiao, Kono Agree To Develop Sino-Japan Ties

OW1304032295 Tokyo KYODO in English 0304 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Foreign Minister Yohei Kono and Qiao Shi, head of Chinese Legislature, agreed Thursday [13 April], to develop Sino-Japanese ties toward the future based on remorse for the past, a Foreign Ministry official said.

In an hour long breakfast meeting, Kono said Japan wants to develop bilateral relations based on the 1972 joint declaration by facing up to its past.

The declaration established diplomatic ties between Japan and China, and Tokyo agreed to recognize Beijing as the only legitimate government in China.

Kono also pledged Japanese cooperation for China's development since the development and stability of the country are essential for the peace and stability of the world, the official said.

Qiao, chairman of the standing committee of the National People's Congress who is on an eight-day visit to Japan from Monday, noted that Tokyo and Beijing have been enjoying good relations since the normalization of diplomatic ties in 1972.

The two countries should work to promote the bilateral relations for the future, Qiao told Kono, quoting a Chinese saying one should not forget the past but should turn it into a lesson for the future, the official said.

Turning to the scheduled transfer of Hong Kong to China in 1997, Qiao assured a smooth transition, saying Beijing will maintain its policy of "one country, two systems" for 50 years after the transition, the official said.

Hong Kong is the center of the Far East's economic, trade and finance, Qiao was quoted as saying, so securing Hong Kong's status is important.

Touching on archrival Taiwan, Qiao told Kono that the latest eight-point conciliatory proposal by Chinese President Jiang Zemin, which called for peaceful unification by applying the "one country, two system" policy, would protect economic benefits between Taiwan and foreign countries.

Kono urged China to support an indefinite extension of the Nuclear Nonproliferation Treaty, which is to be reviewed this year. Qiao did not reply to the request, the official said.

PRC To Use Plutonium for Power Plants

OW1204132595 Tokyo KYODO in English 1245 GMT 12 Apr 95

[FBIS Transcribed Text] Tokyo, April 12 KYODO—China plans to use plutonium for civilian purposes and to develop fast-breeder reactors, a top official of the country's National Nuclear Development Corp. said in Tokyo on Wednesday [12 April].

Zhang Huazhu, the corporation's vice president, told the 28th Conference of the Japan Atomic Industrial Forum (JAIF) that China has decided to begin building a pilot recycling plant for the extraction of plutonium from spent nuclear fuel in the next three years.

Zhang said China wants to operate a facility capable of treating 400 to 800 tons of spent fuel annually by 2001. He also said China already has a prototype experimental fast-breeder reactor designed to reach criticality.

Zhang said China plans to complete an experimental reactor capable of an output of 25,000 kilowatts of electricity by early next century. He said the reactor initially would not be a fast-breeder, but the emphasis would be placed on research into consumption of plutonium obtained by the recycling of spent fuel from light-water reactors.

Zhang was one of the 1,183 delegates at the three-day conference, which ended Wednesday.

The JAIF represents some 800 organizations, including electric power utilities, business corporations, research and development agencies, local authorities and other organizations involved in nuclear energy development in Japan.

Industry To Foster China's Oil Development

OW1204130495 Tokyo KYODO in English 1223 GMT 12 Apr 95

[FBIS Transcribed Text] Beijing, April 12 KYODO—The Japanese petroleum industry has agreed to provide technological assistance to China in oil refining and distribution, an industry delegation said Wednesday [12 April].

The accord reached between the Petroleum Association of Japan and China's State Planning Commission calls for Japan to cooperate with China in refining oil from the Middle East, upgrading gasoline and gas oil and building tanks and other storage facilities, association officials told a news conference in Beijing.

The delegation from the Japanese association met commission Vice Minister Ye Qing and other officials earlier in the day.

The agreement marks the first time technological assistance has been offered overseas by the Japanese oil industry. It will begin to be implemented in fiscal 1996, the association officials said.

Think Tank Sees Rosy Future for Hong Kong

OW1104133095 Tokyo KYODO in English 1319 GMT 11 Apr 95

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Hong Kong will remain an autonomous financial center and free trade port and will industrialize further after it reverts to China in 1997, a Japanese trade ministry-linked think tank predicted Tuesday [11 April].

"China's policy toward Hong Kong is clear," the Institute of Developing Economies said in a report. When Britain gives the colony back to Beijing, China will "continue the current economic system for at least 50 years."

China's interest in promoting its own industrialization and economic development ensures it will leave Hong Kong to its free market ways under the "one country, two systems" rubric, said the institute, affiliated with Japan's Ministry of International Trade and Industry (MITI).

Concerns raised in the report, "the 1997 Hong Kong reversion and Asia," center on possible flows of foreign investment out of Hong Kong as the approaching return makes investors skittish about possible friction with Taiwan.

If Taipei refuses to deal with Hong Kong when it returns to rival Beijing's hands, the colony's growth rate would suffer as its intermediary trade role weakens and transportation and tourism revenues fall, it said.

But if all goes well, the report envisions a great boost in prosperity for the three entities and for their Asian trading partners as China supplies labor, Taiwan capital and Hong Kong both capital and management know-how.

Poll on Tokyoites Without Party Affiliation

OW1304104295 Tokyo KYODO in English 0855 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—The number of Tokyoites who do not support any political party increased after the Sunday [9 April] gubernatorial election, according to a poll conducted by KYODO NEWS SERVICE.

Independent candidate Yukio Aoshima, a former TV personality, beat former top bureaucrat Nobuo Ishihara, who was backed by a broad range of parties, for the Tokyo governorship. In Osaka, independent Isamu Yamada, popularly known as former comedian Knock Yokoyama, also beat a former bureaucrat supported by both the ruling and opposition parties.

The results of the Tokyo and Osaka elections dealt a blow to all the established parties as the victories of the two independent candidates were attributed to voters' disillusionment with existing parties.

KYODO NEWS SERVICE conducted a follow-up poll Monday and Tuesday among 542 Tokyo voters who responded to a KYODO survey held before the Sunday election.

Of the 542, 447, or 82.5 percent, responded in the latest poll.

In the preelection poll, 63 percent of the respondents said they did not support any particular party. The number increased by 11 percentage points to 74 percent in the postelection poll.

The follow-up poll also shows that those without party affiliation are not apolitical, but have a relatively high interest in politics.

To questions asking whether they read official election bulletins and whether they paid attention to news reports about elections during the campaign period, the ratios of affirmative answers in those without party affiliation were slightly higher than the ratios for the total of respondents.

The two polls show that only 67 percent of those who were thinking of voting for Ishihara before the election actually voted for him. Many of the people who changed their minds voted for Aoshima.

On the other hand, none of those who answered they would vote for Aoshima in the early poll said they did not vote for him, although 5 percent of them gave no answer to the later poll.

Igarashi Urges Caution Over Expo Decision

OW1304082795 Tokyo KYODO in English 0732 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Chief Cabinet Secretary Kozo Igarashi urged Tokyo Governor-Elect Yukio Aoshima on Thursday [13 April] to take caution in considering the possible effects of a decision to scuttle, as he pledged, next year's international exposition in Tokyo.

"If the event is canceled, there would be a significant impact on the organizations concerned," Igarashi said at a House of Representatives committee session.

"I am expecting the discussions on the issue to be made with sufficient consideration for these effects," he said.

Aoshima, a popular independent voted into office in Sunday's election, has repeatedly said he will cancel the World City Expo Tokyo '96 and fully review the ongoing Tokyo bay waterfront development project.

Igarashi noted that a considerable number of cities, local governments and companies, both domestic and foreign, are expected to take part in the event, which is scheduled to start March 24, 1996.

"The preparations for opening it are well advanced," he said.

About a dozen companies, nearly 50 foreign cities, the United Nations and over 130 local governments nationwide have applied to take part in the 204-day exposition.

On the 10 trillion yen waterfront development project, Igarashi said the central government will cope with any changes in the plan by the Tokyo metropolitan government.

Hosokawa Comments on Current Political Situation

OW1204151595 Tokyo KYODO in English 1440 GMT 12 Apr 95

[FBIS Transcribed Text] Fukuoka, April 12 KYODO—Former Prime Minister Morihiro Hosokawa on Wednesday [12 April] dismissed the prospect of an early general election of the lower house in the wake of the victories of independent candidates in recent Tokyo and Osaka gubernatorial races.

At a press conference, Hosokawa, also a senior member of the leading opposition Shinshinto (New Frontier Party), said the current situation "is not good for the established political parties."

He said there will be no early dissolution of the House of Representatives for a general election given the situation, adding "we need time to analyze the situation."

There has been speculation that a general election may be held by the end of this year or early next year under the new electoral system combining single-seat districts and proportional representation.

In Sunday's Tokyo and Osaka gubernatorial elections and other nationwide local elections, however, independent candidates made great advances, reflecting voters' distrust in the main political parties.

In the Tokyo race, TV-personality-turned-politician Yukio Aoshima defeated strong contender Nobuo Ishihara, a former deputy chief cabinet secretary in seven governments who was backed by the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake—the current ruling coalition parties in the Diet.

In the Osaka race, Isamu Yamada or knock Yokoyama, also a TV comedian, claimed victory over primary contender Takuya Hirano, a former vice minister of the Science and Technology Agency supported by the LDP, the SDP, Sakigake and Shinshinto.

SDP Urged To Move to New Party Before Poll

OW1304045795 Tokyo KYODO in English 0432 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Labor unions supporting the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] on Thursday urged the party to launch at least preparations for the proposed new party before the July elections for the House of Councillors.

In a meeting with SDP lawmakers, the leaders of 15 unions backing the party called on it to set up at least a preparation committee for the new party before the upper house poll if attempts to inaugurate the new party fail, party officials said.

The union leaders also recommended that the party make public its expected partners for the new party and its basic policy lines during the elections.

The SDP, which is headed by Prime Minister Tomiichi Murayama and forms the ruling coalition with the Liberal Democratic Party and new party Sakigake, has decided to dissolve itself and form a new "liberal and democratic" party that is more suitable to the current political landscape in Japan.

Pointing to the defeat in the recent local elections, SDP Secretary General Wataru Kubo said at the Thursday meeting the party's plan to transform itself into a new party is a move in the right direction.

"Considering the growing ranks of independent voters who do not support any established political parties, the policy of creating a new party is right, and it's the SDP's historic role," Kubo said.

* Fluidity Continues in Political Groupings

952B0135A Tokyo SEIKAI SHUNJU in Japanese Mar 95 pp 36-41

[Article by Tomoo Yamaguchi, political commentator]

[FBIS Translated Text] **Irreparable Rifts in the SDPJ?**

The shock of the recent earthquake was felt in the political community as well as in the southern part of Kobe. Confrontations between the ruling and opposition parties, and the chaos within the Social Democratic Party of Japan [SDPJ] came to a halt, at least temporarily. This is undoubtedly the first time that an earthquake and politics have been intertwined in such a way. Of course, these phenomena are taking place in different dimensions, but politicians cannot afford to ignore public opinion or public sentiment. Earthquakes are acts of nature, but there is only a fine line between them and the measures taken to prevent or recover from them, which are wrought by humans. The victims of earthquakes tend to focus their anger on the actions (or lack of action) taken by national and local government. Even if they know they're asking the impossible, they can't help themselves. There is nowhere else for them to vent their anger or their misery.

Until immediately before the earthquake, some elements in the Liberal Democratic Party [LDP] and the SDPJ proposed that the Diet be dissolved at the beginning of the next regular session. The main reason for that proposal was the turmoil within the SDPJ. The group of hardliners that supports Prime Minister Murayama had been insisting that the members of the newly formed group led by Sadao Yamahana be expelled from the Diet. The LDP voiced no objection to an early dissolution of the Diet. This was a prime opportunity for it to bully the New Frontier Party, which was ill-prepared for an election.

However, when the earthquake struck, the dissolution proposal was forgotten. It will be impossible to dissolve the Diet and hold a general election anytime this year. Some members of the ruling coalition are already claiming that the current government will serve out its full term, remaining in office until July 1996.

Nevertheless, whether the Murayama government will survive until that time is another story. As time goes by, and the area hit by the earthquake begins to recover, the politicians are bound to make moves. The New Frontier Party cannot afford to cooperate with the current government forever, if it intends to be a credible political entity. The public will criticize it for failing to fulfill its role as an opposition party. The SDPJ's New Democratic League [Shinminren], too, will eventually raise its banner. The rift within the SDPJ has grown so wide that it can no longer be bridged. What is worse is that the SDPJ is certain to suffer a humiliating defeat in the combined local elections to be held in April, and in the upper house election scheduled for July. The party is not fielding as many candidates for prefectural assemblies as it did in the previous election (250). All over Japan, prefectural assemblymen once affiliated with the SDPJ have abandoned the party, and are running as independents. As far as the upper house election is concerned, six years ago, the SDPJ won almost effortlessly, riding on the tail winds of opposition to the consumption tax, (then) Prime Minister Sosuke Uno's woman troubles, and the Takako Doi boom. Even though the SDPJ is now one of the governing parties, the tail winds have subsided. The party's support base is weak. The SDPJ will go into the upcoming election aware that it will lose, and hoping to cut its losses as much as possible.

Once the SDPJ has suffered a crushing defeat in two elections, the party's head, Prime Minister Murayama, will most certainly be asked to take responsibility. Almost every SDPJ chairman has resigned in the face of poor election results. The SDPJ membership is not open-minded enough to make an exception of Murayama, even if he is prime minister. Will it be possible for him to resign as SDPJ chairman, and continue to serve as prime minister? The battle came to a halt because of the earthquake, but the sparks of chaos continue to smoulder.

SDPJ Split's Effect on the Government

The fate of the Murayama government will be determined by the SDPJ, how it handles the "enemy within"—its ability to overcome its internecine battles.

The New Frontier Party has been racking its brains to find a way to combat the Murayama government. There are no major policy differences between it and the Murayama government, so it has not had much success in convincing the public that it is a genuine opposition party. The easiest solution to its dilemma would be an the SDPJ split. An executive of the New Frontier Party has suggested that Murayama is not an SDPJ prime minister at all, but an LDP prime minister. However, if the SDPJ does continue to exist, the prime minister cannot avoid losing a great deal of his support base and leadership should the party split.

The New Frontier Party had been counting heavily on the New Democratic League (headed by Sadao Yamahana). This group was at the point of merging with the Minshu Shinto Club [Democratic New Club] (headed by [Banri] Kaieda) to form a new faction, the Minshu Rengo/Minshu Shinto Club.

Twenty-four New Democratic League members announced that they would join the new faction. Of these 24, three lower house members voted for Murayama in both the first and the runoff ballots. Three upper house members voted for him. There was no runoff ballot in the upper House. Seventeen of the group's members are from the lower house, but six of them voted for Kaifu on both ballots, one submitted a blank ballot both times, six submitted blank ballots the first time and voted for Murayama on the runoff ballot, and one voted for Kaifu the first time, but for Murayama the second time. Of group's seven upper house members, those who did not vote for Murayama voted as follows: one voted for Kaifu, and three submitted blank ballots.

Even if we don't go beyond looking at the election results, we can see that those who were planning to participate in the new political entity oppose the Murayama government. And though Makoto Tanabe submitted a blank ballot, both Sadao Yamahana and Hirotaka Akamatsu voted for Murayama on both ballots. The two men were opposed to an LDP-SDPJ coalition, but voted as they did simply because, having served as chairman and general secretary, respectively, they felt they should abide by the SDPJ's decision.

Yamahana and his allies were extremely enthusiastic about forming a new group, claiming that its members would be pioneers in the establishment of a third column, a new democratic liberal party.

The SDPJ's Central Executive Committee gave its blessing to the concept, as did Prime Minister Murayama. The committee held a convention on 11 February, at which it adopted the 1995 Declaration, which proposes the formation of a new party. It had planned to hold preparatory meetings before the upper house election rolled around.

It is not surprising that Yamahana and his associates were greeted with opposition, and asked, "Why are you in such a hurry?"

What the New Democratic League Really Wants

However, Yamahana's claims were merely pretexts. What he and his associates really wanted is something else altogether. They were really concerned about their relationship with the labor unions and about the electoral district situation.

The unions that urged the New Democratic League to form a new party at the earliest possible moment were Zentei [Japan Postal Workers' Union], Zendentsu [Japan Telecommunications Workers' Union], and Denki Rengo.

Four New Democratic League members are supported by Zentei: Makoto Tanabe (originally from Zentei), Sadao Yamahana (an attorney), Aogu Matsumae (an NHK employee), and Yukiko Kawahashi (head of the Ministry of Labor's Research Institute). Zendentsu supports two members: Shogo Oki (from Zendentsu) and Akihiro Ohata (an engineer at Hitachi). These unions support approximately one-third of the group's membership.

Those opposed to the New Democratic League include Shun Oide, who has served as Zentei secretary general, and is currently minister of posts and telecommunications; and Izumi Yamasaki, originally from Zentei.

The following members would like to participate in the new political entity, but so far have remained on the sidelines, since they are members of the party's Central Executive Committee: Churyo Morii (originally from Zendentsu), chairman of the Diet Affairs Committee; Shoichi Tanaka (Zendentsu), chairman of the SDPJ's Labor Bureau, and Nobuyuki Sekiyama, who is still associated with Zentei, and is their candidate of choice (SDPJ Policy Board chairman and former secretary to a Diet representative).

But unquestionably the main concern is the electoral district situation. The five-member Hyogo Group, often referred to as "the radicals," is a classic example. In Hyogo, the Hyogo Rengo has been key ever since the Hosokawa coalition government, and has traditionally cooperated with the Democratic Socialist Party [DSP] during elections. Shigeru Goto, Takanobu Nagai, Ryuichi Dohi, and Kenji Yoshioka, all members of the lower house, and Shoji Motooka, an upper house member, all informed SDPJ's Kobe headquarters that they intend to secede from the party.

Motooka is the leader of this group. His political activities date back to his participation in a dispute over teacher evaluation while he was still an elementary school teacher, after which he became a teachers' union activist. While chairman of the Hyogo Prefecture Teachers' Union, he led a teachers' strike. In 1980 he was elected to the upper house of the Diet from Hyogo Prefecture, and has since served three consecutive terms. He will not be up for reelection in the next upper house election. In upper house SDPJ circles, he is known as a proponent of the party's right wing, but he was also at the vanguard of the group that orchestrated the ox walk when the Diet adopted bills proposing the introduction of a consumption tax and Japanese participation in the UN's PKO [peacekeeping operations]. Motooka has a reputation as a mover and shaker. When Murayama was nominated for prime minister, Motooka organized the Hyogo Group to obstruct the pro-Murayama forces. All five members submitted blank ballots or voted for Kaifu. Goto and Nagai, who had submitted blank ballots on the first vote, voted for Murayama on the runoff ballot. Motooka was the only upper house SDPJ member who voted for Kaifu, which leads us to assume that he will oppose Murayama to the bitter end.

Will the New Frontier Party Engulf the SDPJ?

The SDPJ's Hyogo Prefecture headquarters is now fraught with contention, since the party's right and left wings have each established their own prefectural headquarters. Currently the right wing appears to have gained the upper hand, but if the five-man Hyogo Group secedes from the party, the SDPJ may experience a sharp decrease in strength there.

It is almost certain which electoral districts the members of the Hyogo Group in the upper house will run from under the small electoral district system. Dohi is expected to run from District 3, against the LDP's Shinsuke Suematsu and the SDPJ left-winger Hiromi Okazaki, currently an unaffiliated Diet member. Yoshioka will run from District 5 against LDP Diet member Yoichi Tani. Nagai will run from District 10 against Sakigake [Harbinger] Diet member Saburo Tokai. Goto will run from District 11, opposing LDP Diet member Saburo Toida and Masao Akamatsu, a New Frontier Party Diet member. All four men will be competing with LDP candidates up for reelection.

It is not difficult to see why the Hyogo Group has become the vanguard. However, it is ironic that the group's movement to form a new party was stopped by the forces of nature, i.e., the earthquake that hit southern Hyogo Prefecture, an event which they did not anticipate.

Only five SDPJ members are likely to be vying with New Frontier Party members up for reelection. Yamahana will probably run against [Tatsuya] Ito (formerly with the Japan New Party) in Tokyo District 22, and Kanju Sato against Toshiki Kaifu in Aichi District 9. Masao Sakon may be competing with Takayoshi Taniguchi (formerly with Komeito) or Osamu Yoshida (formerly with the DSP) in Osaka District 4 or 5. The battle in Aichi District 1 is likely to pit Taisuke Sato against Yoneo Hirata (formerly with Komeito) and Takashi Kawamura (formerly with the Japan New Party). The struggle in Aichi District 6 will feature Takeshi Sumioka, running against Shozo Kusakawa (formerly with the Komeito). In all of these districts, LDP or Sakigake Diet members up for reelection will also be competing.

The New Frontier Party will decide upon its official candidates sometime in February. However, rumor has it that the party wishes to run its executives, and former Komeito members up for reelection, as proportional representation candidates, if at all possible. Former Japan New Party members who lack a strong power base are also expected to run as proportional representation candidates, since doing so would virtually assure them of victory. If the New Frontier Party does indeed follow this policy, it would seem that most of the New Democratic League members running against New Frontier Party members will be certain to cooperate in some way with the New Frontier Party.

An SDPJ executive has reportedly commented that "the Yamahana group will eventually be absorbed into the New Frontier Party." An in-depth examination of the situation in the various electoral districts lends credence to his comment.

The battle may have been halted by the earthquake, but it is certain that the dissolution/general-election drama will be postponed to a later date. The movement to form a new party, spearheaded by the New Democratic League, will certainly be revived, if only because its members' survival depends on that.

Eight Strategic Seats

The LDP has now joined forces with Jiyu Rengo [Liberal League]. The two groups together hold 208 seats in the lower house.

Jiyu Rengo has six members: Koji Kakizawa, Keigo Ouchi, Shizuo Sato, Shinichi Koizumi, Shinichiro Kurimoto, and Torao Tokuda. Add to these the unaffiliated Toshimitsu Mogi and Toshiaki Endo. Of the preceding, only Kakizawa and Sato are deserters from the LDP. Ouchi is a former DSP member, Koizumi, Endo and Mogi are former Japan New Party members, Kurimoto is a former Shinseito [Japan Renewal Party] member, and Tokuda was formerly unaffiliated. In other words, six out of eight are "new" members scouted by the LDP. Normally, one would expect them to have joined the New Frontier Party, so though their numbers are few, they make a difference to the ruling party.

Currently, the ruling party holds a total of 299 seats in the lower house (LDP/Jiyu Rengo (208), SDPJ (70), and Sakigake (21). The opposition, the New Frontier Party, holds 176 seats, the Japan Communist Party 15 seats, the New Democratic Club three seats, unaffiliated Diet members 14 seats, and four seats are vacant. Therefore, 254 seats represent a majority. The ruling party holds 45 seats over and above the majority.

Even if 30 or so SDPJ lower house members leave the party and form a new party or join forces with the New Frontier Party, the ruling party can still maintain a close to stable majority position. The political significance of the eight seats held by the Jiyu Rengo is not trivial. It may demonstrate that if the SDPJ split doesn't decide the issue, the current ruling party's position is unshakable.

All things considered, one is taken aback at Kakizawa's quick-change act. He left the LDP, but returned to the fold in a mere nine months. Of course, one must be mindful that this is typical behavior for Kakizawa, who is famous at Nagata-cho for his chameleon-like behavior.

Kakizawa was transmogrified from an MOF [Ministry of Finance] bureaucrat to a politician in the upper house election held in 1977. He ran from Tokyo, backed by the New Liberal [Shinjiyu] Club, and won. When the lower house election came along in 1980, he abandoned his upper house seat, with three years of his term left to serve, and ran, successsfully, from Tokyo District 6. However, he soon became disgusted with internecine policy disputes, left the New Liberal Club, and became an unaffiliated Diet representative.

Still unaffiliated, Kakizawa hooked up with Onwakai, a policy group headed by Michio Watanabe. Having obtained support from the powerful Watanabe, he received the LDP's blessing, and was victorious in the lower house election held in 1983. Since then, he has been active as an aide to Watanabe. By the time Watanabe was serving concurrently as deputy prime minister and foreign minister, Kakizawa was on his fourth term. He was really past the age at which one would normally serve as a parliamentary vice minister, but was awarded that position at the Foreign Ministry to assist the ailing Watanabe.

He would often talk about establishing a union of conservative forces to be headed by Watanabe, but when the Hata government came into being, Kakizawa left the LDP and formed the Jiyuto [Liberal Party], whose leader he became. He was appointed foreign minister in the Hata cabinet, reportedly his reward for having left the LDP. With the collapse of the Hata government, Kakizawa found himself in the opposition. On the day of the New Frontier Party's conference announcing its formation, Kakizawa decided not to join. Instead, he established the Jiyu Rengo together with Ouchi, who had been chairman of the DSP, and others. Despite this series of metamorphoses, Kakizawa's ultimate goal was supposedly the governorship of Tokyo Prefecture. He made it clear that he wanted the position, but his changeability worked against him, and his chances of becoming a gubernatorial candidate vanished into thin air. He'll have to start over again.

Jiyu Rengo—A Group of Rugged Individualists

The Jiyu Rengo is a collection of rugged individualists, and Kakizawa is no exception, whether or not one approves of him. Who ever would have dreamed that, even as recently as a year ago, Ouchi would form a group that would end up in league with the LDP? Upon graduating from Waseda University's Law Faculty, Ouchi went to work at the SDPJ's Secretariat, and later cast his lot with the DSP, when it was established by SDPJ right-wingers.

He proved himself a model member of the DSP's Secretariat, concentrating his activities on Policy Board affairs, even serving as its chairman, though he was not a Diet member at the time. He ran for the lower house from Tokyo District 2 in 1976, and was elected. People began referring to him as the "prince" of the DSP. But he lost in the 1986 election, which took place when he was not serving as general secretary. Tokyo District 2 is famous for the fierce battles waged among minority party candidates, and it is impossible to predict the outcome in any election there.

In that election, Ouchi had strong backing from labor unions that supported the DSP, and from the Shinshuren's Rissho Koseikai [religious sect]. Ouchi's famous comment about his reason for not joining the New Frontier Party, "The New Frontier Party is going to turn into the Soka Gakkai," probably was prompted by his fears of conflict between the religious groups that supported him and Soka Gakkai.

Torao Tokuda is even more of an individualist than is Ouchi. He is a native of Tokunoshima in Kagoshima Prefecture, and a physician, a graduate of Osaka University's Faculty of Medicine. He is famous for having opened a chain of hospitals (Tokushukai) all over Japan, which are reportedly opposed to the Japan Medical Association. In the 1992 lower house election, he ran for the Diet from a genuine small electoral district, the Amami Oshima district (which had an allotment of one candidate), and won. That was his third try, and he defeated Okiharu Yasuoka, then making a bid for his seventh term.

In the most recent election, Tokuda ran from Kagoshima District 1, since it had merged with Amami Oshima, and won. Up until then he had run without the backing of any party. He applied for membership in the LDP, but was rejected, possibly because Yasuoka (a former member of the Takeshita faction, now with the New Frontier Party) objected, and out of consideration for the Japan Medical Association.

The Murayama government has the numbers, but rugged individualists like these are not likely to cooperate with it or with the LDP forever.

Depending upon developments on the political scene, there may be more Diet members deserting the government. In any case, Murayama's only choice is to go on allowing his "babysitters" to call the shots.

Editorial Urges Parties To Resurrect Democracy

OW1304122895 Tokyo YOMIURI SHIMBUN in Japanese 11 Apr 95 Morning Edition p 3

[Editorial: "Do Not Contempt Crisis of Party Politics"]

[FBIS Translated Text] The significance of voters' distrust of political parties made glaringly obvious in the 9 April unified local elections is much greater than the crisis it creates for the parties. If the disenchantment that led to the election of independents as governors of Tokyo and Osaka grows into a general belief that parties are useless, the very existence of the parliamentary cabinet system could be threatened. The nation's history before World War II shows that a decline in party politics can lead to dictatorial rule.

All parties must face the gravity of the crisis and reform themselves to resurrect the democratic system that depends on their existence.

How have the nation's politics come to these straits?

One of the many reason is the sheer abnormality, even immorality, underlying the current three-party ruling coalition. The lumping together of former archrivals has created what has often been derided as a "scratch team" void of principles. This has eroded even the minimal degree of public trust in the ideals and policies the coalition is ostensibly pursuing.

To form the coalition, the Social Democratic Party of Japan [SDPJ] had the audacity to join hands with the Liberal Democratic Party [LDP], despite running in the previous House of Representatives election under a banner of confrontation with its longtime foe.

The SDPJ then inaugurated the coalition by completely reversing its basic policies, such as its rejection of the Self Defense Forces as being unconstitutional and opposition to the Japan-U.S. Security Treaty.

The party's new views happened to be improvements; nonetheless, the SDPJ failed to persuade voters that the turnabout was reasonable.

The LDP is also culpable for its participation in the coalition. It cynically joined up to secure numerical strength in the Diet and again grab the reins of government. In the process, it blurred its own political positions and has been sarcastically called "an arm of the SDPJ."

To hold the untenable marriage together, the partners have adopted a "peace at any cost" attitude and plunged into badly compromising practices. As a result, the coalition is incapable of coping with problems that urgently require solutions.

A case in point is the government's inability to act against the surging value of the yen.

The New Frontier Party [NFP], the largest opposition party, has also fallen short in developing clear-cut principles with which to fight the coalition, mostly because of internal squabbles. The party is content to hold off dissolution of the lower house out of hesitation to confront the ruling parties. In the Tokyo gubernatorial race, the NFP awkwardly left the decision of whom to support up to the "voluntary judgment" of individual party members.

In a nutshell, each party has now seen good reason for the alarming dilution of its power.

The situation has spurred a rise in the number of unaffiliated voters, but not necessarily an increase in the number of politically apathetic people. Indeed, various opinion surveys show that people are distancing themselves from parties because of their high interest in politics.

Some parties seem to be trying to counter the erosion of interest in their candidates by nominating people from the entertainment field. This tactic is cosmetic, ignores fundamental questions, and further undermines support for parties.

All parties must resolve the inconsistencies of their politics. If they do not, the nation's politics will regain the confidence of unaffiliated voters.

Parties must not avert another round of realignment. We believe that a number of issues could serve as axes for realignment. One could be whether to revise the Constitution. Now that a majority of the people favor amending the Constitution and more than 70 percent want to see lively debate on such issues, if parties fail to address this demand, they will be shirking their responsibilities.

Parties must regain their sense of responsibility to conduct politics that are truly beneficial to Japan's future.

Mongolia

Prime Minister 'Satisfied' With Russia Visit

LD0704214595 Moscow ITAR-TASS World Service in Russian 1620 GMT 7 Apr 95

[By ITAR-TASS correspondent Kim Boldokhonov]

[FBIS Transclated Text] Ulaanbaatar, 7 Apr (TASS)—Mongolian Prime Minister Puntsaqiyn Jasray told the ITAR-TASS correspondent at the capital's (Bunt-Ukha) airport on returning home today that he was satisfied with the results of his visit to Russia. He was referring not only to the conclusion of a package of intergovernmental agreements which, naturally, are very important, he said. At the heart of the matter, he said, is that the countries will develop bilateral cooperation in new conditions and on new principles. Both countries have chosen the path of democracy and of market relations and the pooling of efforts is of great importance, the Mongolian prime minister stressed.

He said that a decision had been made to form free economic zones together with Russian regions directly bordering on Mongolia. A fundamental agreement had been reached on economic cooperation between Russia and Mongolia promoting the development of national industry, Jasray noted. A great deal of attention was paid to stepping up cooperation in the humanitarian sphere—education, science, culture, and health care.

North Korea

Commentary Questions U.S. Purpose in Talks

SK1304051495 Pyongyang KCNA in English 0454 GMT 13 Apr 95

["Implementation of DPRK-U.S. Framework Agreement Needs Favourable Atmosphere"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—The South Korean puppets reportedly are crying that the U.S. worked out recently "South Korea-U.S. joint defence programme", the keynote of which is for the United States to hurl 40 per cent of its naval forces in the "event of contingency" on the Korean peninusla, and that there will be discussions on the resumption of "Team Spirit" military manoeuvres this year.

It is not clear whether it is true or not because it is claimed by the South Korean puppets. If it is true, the United States is to blame. NODONG SINMUN says in a signed commentary today.

The analyst continues:

Even after the adoption of the framework agreement the U.S. conservative hardliners are still seeking to stifle the DPRK by force of arms.

Facts make us ponder again over what the United States seeks in the negotiations on light water reactors.

As far as we believe, the United States intends to complicate the matter on purpose rather than to provide light water reactors to us and to implement the framework agreement, so as to find a new excuse for stifling the DPRK by strength.

It is self-evident that it is impossible to implement the agreement with the DPRK-U.S. confrontation being continued and the tensions coiled up.

If the United States truly wants to implement the agreement, then it must not comply with the unreasonable demand of the South Korean puppets as regards the light water reactors issue but conclude a peace agreement and make sincere efforts to create an atmosphere in favor of the implementation of the DPRK-U.S. framework agreement.

Envoy: North Rejects ROK Light-Water Reactor

BK1104082795 Islamabad Radio Pakistan Overseas Service in English 0800 GMT 11 Apr 95

[FBIS Transcribed Text] North Korea has rejected United States' offer to buy a South Korean light-water reactor system worth $4 billion. The North Korean ambassador, Mr. Hwang Sam-nin, addressing a press conference in Islamabad yesterday, said his country will not accept the light-water reactor system from South Korea as it had no experience in setting up this system. He said his country wanted to buy the American or Russian-made system.

Taejonggyo Leader, Public ROK Figure Arrive

SK1204050995 Pyongyang KCNA in English 0453 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—Leader of Taejonggyo An Ho-sang and chairman of the National Council for Reunification and Restoration Kim Son-chok of South Korea arrived in Pyongyang on April 11.

An Ho-sang told the press conference at the airport that he has come to Pyongyang to pay a visit to the tomb of King Tangun, the ancestral father of the Korean nation.

In the evening, the Central Guidance Committee of the Korean Chondoist Association, arranged a party for the visitors.

In her address, its chairperson Yu Mi-yong said that the Pyongyang visit of the leader of Taejonggyo and the chairman of the National Council for Reunification and Restoration of South Korea was a very meaningful occasion in promoting the reconciliation and unity of the Korean nation and accelerating the independent and peaceful reunification of the country.

"We, descendants of the Tangun nation, are the one and the same nation who cannot live separated, though we are different in ideology, ideal and religious belief", she said, and called for achieving national unity and the reunification of the country by the Koreans' themselves under any circumstances.

An Ho-sang said in his address that the reunification of the Korean nation divided by outside forces must be achieved by the Korean people themselves with the ideal of the nation, transcending differences in political idea, religious idea and social strata.

"If the descendants of King Tangun in the North and the South truly want reunification, they must strive for the integration of the Tangun nation. Only then can the seventy million fellow countrymen be reconciled and unite with each other", he stressed.

Visit Tomb of King Tangun 12 Apr

SK1304052895 Pyongyang KCNA in English 0515 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—Leader of Taejonggyo An Ho-sang and Chairman of the National Council for Reunification and Restoration Kim Son-chok of South Korea visited the tomb of King Tangun on Wednesday [12 April].

They went round with keen interest the tomb of King Tangun, the ancestral father of the Korean nation, being briefed on its splendid reconstruction as a proud symbol of the five-thousand-year national history.

Making a round of the "monument to reconstruction of the tomb of King Tangun" and the monument to records of King Tangun, they paid reverence at the tomb.

After visiting it, they were joyful at the grandiose reconstruction of the tomb of King Tangun to further exalt the time-honored history of the Korean nation and the lineage of the homogeneous nation and to suit the spirit of Korea of Tangun, a strong and prosperous country in the east.

An Ho-sang said it is his great pleasure that the ideal of the nation going beyond politics, religion and idea has survived with so wonderful reconstruction of the tomb of King Tangun, adding that the South and the North should be reunified as soon as possible on the basis of this ideal.

Kim Son-chok noted that through the visit he thought of the day when the 70 million fellows will become one mind and one body. He said that the Korean nation which was divided by outside forces has lived amid many contradictions in the past. "The central tower for reunification based on the entity of Tangun is erected, I think," he added.

10-Point Program of National Unity Hailed Abroad

SK1304001895 Pyongyang KCNA in English 2156 GMT 12 Apr 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—Personages of different countries expressed full support to "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" put forward by the great leader President Kim Il-song.

Chandrajeet Yadav, co-chairman of the All India Peace and Solidarity Organization and member of parliament, issued a statement to the press on April 4, in which he said that the 10-Point Programme of Great National Unity is the only just reunification charter of the nation which makes it possible for the whole nation to closely unite as one for reunification, irrespective of difference in ideology, ideal and system.

The Kim Yong-sam clique has madly sought dependence on outside forces and North-South confrontation, challenging the 10-Point Programme, only to reveal itself as the enemy of the nation, the enemy of reunification, he pointed out.

He called upon the peaceloving governments, political parties, organizations and peoples of the world to put international pressure on the Kim Yong-sam group, the biggest obstacle standing in the way of Korea's reunification.

Ayirebi-Acquah, vice-minister of youth and sports of Ghana and chairman of the Ghana-DPRK Friendship Association, said in a press statement on April 5 that they extend full support and solidarity to the Korean people in the efforts to establish an independent, unified state by means of confederacy based on one nation, one state, two systems and two governments under the 10-Point Programme.

Eric Sealy, leader of the People's Pressure Movement of Barbados, recently signed on behalf of over 12,000 party members the signature paper supporting the 10-Point Programme of the Great Unity of the Whole Nation and the proposal for founding the Democratic Confederal Republic of Koryo.

Vice Premier Meets PRC Cultural Delegation

SK1204152695 Pyongyang KCNA in English 1515 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—Chang chol, vice-premier and minister of culture and art, met and had a friendly talk with the visiting Chinese Government cultural delegation led by Zhang Hualim, at the Mansudae Assembly Hall today.

Present there were Kim Chong-ho, vice-minister of culture and art, and Chinese ambassador to Korea Qiao Zonghuai.

Korean Traders in Japan on DPRK-Japan Accord

SK1304002995 Pyongyang KCNA in English 2226 GMT 12 Apr 95

["Agreement for Resumption of DPRK-Japan Talks Hailed"—KCNA headline]

[FBIS Transcribed Text] Tokyo, April 10 (KNS-KCNA) [dateline as received]—Om Chang-bom, chairman of the Federation of Korean Traders and Industrialists in Japan, on Monday issued a statement hailing the agreement for resumption of DPRK-Japan negotiations which was adopted between delegations of the Workers' Party of Korea and the three ruling coalition parties of Japan.

The recently adopted agreement evidently states that the DPRK- Japan talks should be resumed at an early date without any precondition and on the basis of an independent stand in accordance with the historical three-party joint declaration, he noted.

The adoption of the agreement is one more victory of the chuche- orientated independent diplomacy of the Democratic People's Republic of Korea guided by the great leader Marshal Kim Chong-il, he declared, and said:

"As it reflects the desire and interests of the peoples of Korea and Japan, the adoption is a historical event greatly helpful to promoting peace and stability in the Korean peninsula and Asia."

Om Chang-bom declared that all the Korean businessmen in Japan would do their utmost, under the banner of independence, peace and friendship, for an early improvement of DPRK-Japan relations as well as the normalization of their diplomatic relations.

Activities of Nepalese Delegation Reported

Education Minister Interviewed

SK1304002795 Pyongyang KCNA in English 2229 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—Modnath Prasarit, minister of education, culture and social welfare of Nepal, in a press interview here, stressed that Comrade Kim Il-song was the greatest of great men, whom the world praises as the great leader and great revolutionary.

Noting that he was received by Comrade Kim Il-song during his visit to Korea in October, 1993, as a delegate of the Nepal Communist Party (United Marxist-Leninist), he went on:

"Comrade Kim Il-song was not only the leader of Korea.

"He was an outstanding leader who performed immortal exploits in the cause of independence of humankind and the socialist cause.

"He was an elder of world revolution.

"There is no such reputed man as him in view of the greatness in leadership, the richness in exploits and influence on the world history.

"We respect the great leader Comrade Kim Chong-il.

"We have deeply studied his ideology and theory and grasped his wise leadership in Nepal.

"The brilliant reality of Korea is a model for Nepal."

Parliamentary Talks Held 12 Apr

SK1204151795 Pyongyang KCNA in English 1513 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyng, April 12 (KCNA)—A delegation of the Supreme People's Assembly of the Democratic People Republic of Korea had talks with a Nepalese parliamentary delegation at the Mansudae Assembly Hall today.

Present at the talks on the Korean side were Yo Yon-Ku, vice- chairperson of the Supreme People's Assembly, and other officials concerned, and on the opposite side were the members of the delegation led by Dilip Kumar Shahi [name as received], vice- chairman of the National Council of Nepal.

At the talks, the two sides informed each other of the situation of their countries and the activities of their parliaments and discussed the tasks to develop friendly and cooperative relations betleen the two parliaments.

Indian Party Adopts Resolution on DPRK

SK1204105895 Pyongyang KCNA in English 1025 GMT 12 Apr 95

[FBIS Transcribed Text] New Delhi, April 10 [date as received] (KCNA)—The 15th congress of the Communist Party of India (Marxist) adopted a resolution on Korea on April 8 reaffirming solidarity with the Democratic People's Republic of Korea in its struggle for putting an end to national division persistently forced by the U.S. imperialists and reunifying the country peacefully.

The congress accused the U.S. imperialists of raising the "nuclear issue" to stifle the DPRK and increase tension in this region.

Taking note of the U.S. moves to make the implementation of the DPRK-U.S. framework agreement impossible and screw up tension again, the congress expressed the determination to invigorate the movement of solidarity with the Korean people, who are struggling for their socialist homeland, the DPRK, under the leadership of the Workers' Party of Korea.

Foreign Papers Describe Economic, Trade Zone

SK1304103195 Pyongyang KCNA in English 1014 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—Czech and Bulgarian newspapers carried articles introducing the construction of the Najin-Sonbong free economic and trade zone in the Democratic People's Republic of Korea.

The Czech paper HALO NOVINY April 6 said that the zone, bordering on China and Russia, is situated around the mouth of the River Tuman in the northeastern tip of Korea. Occupying an area of 746 square kilometres, it is called a "second Singapore" and "golden triangular area", it added.

The paper further said:

In a survey report, the United Nations Development Program announced that it plans to build modern habour facilities and an advanced and intelligent industrial city in the Najin-Sonbong zone with investment of 30 billion dollars in 20 years by the year 2010 and thus convert it into a comprehensive international exchange base corresponding to the 21st century.

Already on December 28, 1991, the Administration Council of the Democratic People's Republic of Korea made a decision on adopting Najin and Sonbong ports and its neighbouring Chongjin port as free trade ports, allowing and protecting investment by enterprises in the zone and taking measures to give preferential treatment to them.

Many laws and regulations adopted in the DPRK provide a legal basis corresponding to the free economic and trade zone.

Not a few enterprises and investors have already signed contracts with the DPRK.

The Bulgarian Paper TRIBUNA said that the prospect of the Najin- Sobong free economic and trade zone is very optimistic.

The paper further said:

Before long, the zone will be like Hong Kong, Singapore and Rotterdam, where intermediate trade and allied industries are developed on the highest level in the world.

When tourist resources in the zone and famous Mts. Paektu and Chilbo in the neighbouring areas are developed, it will be an international tourist resort.

More Reportage on Spring Friendship Festival

Foreign Acrobats Perform

SK1304110095 Pyongyang KCNA in English 1040 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—Foreign acrobats participating in the 13th April Spring Friendship Art Festival are giving their conspicuous and colourful performances at the Pyongyang Circus Theatre and the Korean People's Army circus theatre.

This festival is participated in by Chinese acrobats who won highest prize at the 11th international circus championship and famous acrobats from Asia, Africa, Latin America and Europe.

Colourful numbers put on the stage by the acrobats with genuine sincerity, yearning for the great leader President Kim Il-song delight the Korean people commemorating the April holiday.

The Chinese acrobats demonstrate their bravery, swiftness, mettle and optimism of youth, vibrant energy and endless ardour in "dish- turning", "stunt on chairs", "balancing" and "stunt on bicycle", pieces that won gold prizes at the international circus festivals.

Especially, "dish-turning" by the 14 female acrobats is acclaimed by the spectators for their remarkable technique.

A Cuban acrobat shows the revolutionary spirit and the strong will of the brave Cuban people and their optimism and courage in "hand-standing" which shows a well-balanced movement with rising energy, full vigor and experienced skills.

"Plastic duo" performed by Mongolian female acrobats, a piece of traditional national circus, also draw attention of the spectators for their gentle and swift rhythmic movements and beautiful and refined plastic movements.

"Hand stunt and balancing on ladder" by an Egyptian acrobat and his party, "hand-standing" by the Swedish Ludvika-Mini circus troupe and "on the way home from the market" by the Ukrainian national circus troupe left deep impressions on the spectators.

Overseas Koreans Perform

SK1304104995 Pyongyang KCNA in English 1035 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—Many more overseas Korean artistes than before are participating in the 13th April Spring Friendship Art Festival, the curtain of which was raised reflecting the ardent yearning of the Korean people and the progressive people of the world for the great leader President Kim Il-song. They are making tangible contributions to the festival.

The art troupes of Koreans from Japan, China and the United States and the art troupe of the International Korean Association (Unity) put on the stage vocal solos, choruses and dances and other colorful numbers they had prepared with utmost care for a long time. Their performances began in the Pyongyang Grand Theatre on April 9.

Their performances representing the ardent yearning of all the overseas Koreans for President Kim Il-song, who always took good care of them in alien lands far from the motherland, were acclaimed by the audiences.

A performance which began with the dance and pangchang "Eternal April Spring" given by the art troupe of Koreans from Japan was overflowing with the ardent desire of the Koreans at home and abroad to hold in high esteem President Kim Il-song as the great sun of the nation for all ages.

The art troupe from Japan put on the stage the ten odd songs and dances with fine verses and the most beautiful melodies of the strongest national character and the most graceful rhythms, all of which delighted the audiences.

A tale and song "Flower Seeds" of the art troupe of Koreans from China was a hit.

The performers succeeded in representing the ardent desire of all the Koreans in China to have President Kim Il-song as the eternal sun in flowers, filling the hall with noble feelings.

The troupe of the new generation of Koreans selected from different parts of China truthfully sang of the fact that they gathered, with the earnest yearning for President Kim Il-song, the seeds from flowers cultivated with utmost care in Jilin, Fusong, Wujiazi, Kalun and other areas associated with his immortal revolutionary feats before coming to the homeland to participate in the festival.

A song and dance "The Great Leader Will Remain Alive Forever" and a female vocal solo "Far From the Motherland" of the International Korean Association (Unity) and a cello solo "Road Indicated by the Command Light", and a female vocal solo "When Going Through Fields" of the art troupe of Koreans from the U.S. powerfully demonstrated the will of the overseas Koreans to exalt the benevolent solicitude and undying feats of President Kim Il-song who saved the destinies of the country and the nation, though they are in alien lands.

The performers put on the stage a mixed chorus "Our Rhythms are Good", a dance "Yangsando" and a male vocal solo "Song of Boat at Popsong Fishing Ground" and other numbers of strong national sentiments, powerfully demonstrating the will of the overseas Koreans to keep alive the spirit of the Korean nation.

More Foreign Art Troupes Perform

SK1304010195 Pyongyang KCNA in English 2243 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The performances of the Chinese Art Troupe, the Russian Folk Song and Dance Ensemble, the Russian Bolshoi Orchestra and the Cuban and Mongolian art troupes are going on to the full house within the framework of the 13th April Spring Friendship Art Festival.

Put on the stage were colorful numbers reflecting the desire and aspirations of the revolutionary people of the world to hold in high esteem as the sun the great leader President Kim Il-song, who performed great feats in the struggle for human cause of independence.

The performers also highly praised the great leader Comrade Kim Chong-il as the greatest of great men, showing their deepest reverence for him. And through songs, dances and orchestral music they excellently represented the national customs and life of their peoples.

The Chinese art troupe of nearly 50 artistes is performing at the East Pyongyang Grand Theatre.

Soprano and tenor soloists well sang the Korean songs "Where Are You, Dear General" and "We Miss His Smile as Bright as Sunshine" in rich, clear and soft volume to be acclaimed by the audiences.

The Chinese performers succeeded in representing the national customs of their people, which date back to the ancient time, in songs and dances.

A female trio and the Korean song "Our General Is Best" sung by them delighted the audiences.

The Russian Folk Song and Dance Ensemble consisting of eight people's and merited actors and actresses and other ll-known artistes put orchestral music, vocal solo, dance and other numbers on the stage at the mansudae art theatre.

Zykina Liudmila Georgievna, Lenin prize winner and former Soviet labor heroine and people's actress who is hading the ensemble, wonderfully sang a song "he is immortal" in rich volume. The song was created by them who are missing President Kim Il-song, who appreciated their performances and posed for photographs with them during the last festivals.

The Korean songs "Kimjongilia" and "Let Doves Fly High" and the dance "Dance of Russia," which shows the national customs and talents of Russia, were performed by the ensemble to the acclamation of the audiences.

The Russian Bolshoi Orchestra with the history of nearly fifty years is performing at the Moranbong Theatre.

The performance given by some 80 artistes with Kajlaev Murad Magomedovich, an international prize winner and people's actor and the head of the orchestra, as the conductor deeply moved the audiences for the tested conducting and skilful playing.

The Korean immortal masterpiece "Nostalgia" and another Korean song "We Will Remain Faithful to the Leader Generation After Generation" arranged by the conductor of the orchestra were successfully performed, causing a sensation among the audiences.

The Korean songs "We Miss His Smile as Bright as Sunshine" and "We Pledge" sung by the Cuban artistes were hits.

The Mongolian artistes sang the mixed chorus "Image of the Great Leader", leaving deep impressions upon the audiences.

Kim Chong-il Sends Thanks to Officials, Builders

SK1304051195 Pyongyang KCNA in English 0443 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—The great leader Comrade Kim Chong-il extended thanks to officials and builders of Mundok County, South Pyongan Province, for the building of the county people's hospital.

With a total floor space of more than 5,200 square metres, the hospital has different sections and facilities necessary for medical care of inpatients and outpatients.

He also sent thanks to the employees of the Pyongyang Railway Bureau who performed feats in the project of introducing electric traction in the Kanri-Sijong line and the working people of the Power-Transmission Line Building Company and other units who contributed to the project.

Kim Chong-il Indonesian Visit Anniversary Noted

SK1304052495 Pyongyang KCNA in English 0511 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—The Ministry of Foreign Affairs hosted a reception Wednesday [12 April] on the lapse of 30 years since the great leader Comrade Kim Chong-il visited Indonesia.

Speaking at the reception, Vice-minister of Foreign Affairs Choe U-chin said:

Thirty years ago, the great leader Comrade Kim Il-song and respected General Kim Chong-il paid a historic visit to Indonesia and took part in functions held there to commemorate the tenth anniversary of the Bandung Meeting.

This was a great event of weighty significance in strengthening and developing the friendship between the two peoples of Korea and Indonesia and the non-aligned movement.

Indonesia, as the nam chairman, is playing a major role in maintaining the basic principle and idea of the movement and activating its action, Choe U-chin said.

He further said:

We highly estimate it and sincerely wish the Indonesian people a greater success in their future work.

Syamsudin Sidabutar [spelling of name as received], charge d'affaires ad interim of the Indonesian Embassy in Pyongyang, said in his speech:

We note with high appreciation that the government of the Democratic People's Republic of Korea, under the wise leadership of the great leader President Kim Il-song and esteemed his excellency Kim Chong-il, greatly contributed to developing the friendly and cooperative relations between Korea and Indonesia and strengthening the non-aligned movement.

The Indonesian Government welcomes the constructive efforts made by the Korean people for the national reunification and the solution of other issues, he said.

The participants wished an eternal life to the great leader President Kim Il-song who had made a distinguished contribution to the strengthening and development of the friendship between Korea and Indonesia and of the non-aligned movement.

Indonesian Embassy Officials Visit University

SK1304051395 Pyongyang KCNA in English 0501 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—The charge d'affaires ad interim and officials of the Indonesian Embassy in Korea visited Kim Il-song University Wednesday [12 April] on the lapse of 30 years since respected Comrade Kim Chong-il paid a historic visit to their country, accompanying the great leader President Kim Il-song.

The visitors went round the historic mementoes and relics with keen interest, being briefed on the immortal exploits the great leader Comrade Kim Chong-il performed, conducting energetic revolutionary activities after he enrolled at the university.

Charge d'Affaires Ad Interim Syamsudin Sidabutar [spelling of name as received] said he was deeply impressed through the visit. The university is an important place in rearing the future of Korea, he added.

The guests left a souvenir at the university.

They also visited the Museum of the Ministry of Culture and Art on the same day.

Paper's Essay Lauds Kim Il-song, Kim Chong-il

SK1204110295 Pyongyang KCNA in English 1035 GMT 12 Apr 95

["Great Embrace"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—NODONG SINMUN today in a signed political essay deals with the happiness of the Korean people who live in the embrace of the great leader President Kim Il-song and respected Comrade Kim Chong-il.

The political essay stresses that Comrade Kim Il-song and Comrade Kim Chong-il are the great men, who were born with affection for the people for the first time in history and have shown infinite trust in and love for all people.

We do not think there is warmer and more benevolent embrace than the great leader's, the political essay notes, and goes on:

The greatest desire of our people is to live forever in the embrace of Comrade Kim Il-song.

We still live in his embrace.

Our people live in the same embrace of the great leader Comrade Kim Chong-il as that of Comrade Kim Il-song.

Our people follow only Comrade Kim Chong-il who is the same with Comrade Kim Il-song in idea, leadership, personality and virtues.

The great Comrade Kim Chong-il's embrace like that of Comrade Kim Il-song is the embrace of the great teacher, the motherland and the sun in which all people are brought up, led and taken care of with the infinite love for them and in which all people lead a happy life.

Since we are in the embrace of the great Comrade Kim Chong-il who is the same with the great leader Comrade Kim Il-song, we shout at the top of our voices that we still live in the embrace of Comrade Kim Il-song.

Herein lie our stability and invariability—unquestioned stability and absolute invariability of Korea that has moved forward towards a bright future, without the slightest vacillation and pessimism, despite of her deepest sorrow and pain at the loss of Comrade Kim Il-song.

More Activities Mark Kim Il-song's Birthday

SK1304102995 Pyongyang KCNA in English 1008 GMT 13 Apr 95

["President Kim Il-song is Immortal"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—April 15, the birthday of the great leader President Kim Il-song, is drawing near.

On this occasion, many people are calling at his statues on Mansu Hill in Pyongyang and other areas throughout the country and historical sites associated with his revolutionary activities with floral baskets and bouquets and pledging loyalty to him.

As the days go by, the people are yearning for him more eagerly.

The great leader Comrade Kim Chong-il said:

"It is the unshakable faith and will of our people to uphold and follow the leader."

The people keep in their mind the immovable faith of holding in high esteem forever President Kim Il-song, a peerless great man and the father of the nation.

Reflecting such a faith and will of theirs, pictures of the president with a broad smile were set up in different places of the country.

In the pictures he is surrounded by blossoms of magnolia, the national flower of Korea, above letters "The great leader Comrade Kim Il-song will always be with us."

The slogans "The great leader Comrade Kim Il-song will always be with us" and "Let us arm ourselves more firmly with the revolutionary idea of the great leader Comrade Kim Il-song!" are seen in significant places of streets, villages and working sites throughout the country.

Big letters "The great leader Comrade Kim Il-song will always be with us. Carved on July 8, 1994" and "Korea, boast of the glory in having had Comrade Kim Il-song, the greatest in the 5,000-year-long history of the nation, as the leader! Carved on July 8, 1994", etc. were carved on natural rocks in Mts. Kumgang and Myohyang, famous mountains of Korea.

Before beginning their work every day, the people stand in front of boards carrying his on-the-spot teachings in their working sites and renew their resolution and will to make their country, their homeland more prosperous at his behests.

In Korea all the meetings, radio and tv begin with the immortal revolutionary hymn "Song of General Kim Il-song" and the clocks of the grand people's study house in Pyongyang informs the people of time with melodies of this song as they did when he was alive.

Screened at the cinema houses and houses of culture and on tv are documentary and feature films showing his revolutionary history and documentary films showing that the Korean nation and all the humankind mourned his death with bitterest sorrow in one hundred days after his death.

Literary works and art works showing the Korean people's deep reverence for and loyalty to him have been created and memorial gold and silver coins "The great leader Comrade Kim Il-song will always be with us" were issued by the Central Bank of the Democratic People's Republic of Korea.

Though President Kim Il-song passed away, he is immortal in the hearts of our people as the sun.

Iranian Envoy Hosts Reception

SK1204050095 Pyongyang KCNA in English 0448 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—Iranian Ambassador to Korea Seyyed Morteza Mirheydari gave a reception on Tuesday [11 April] on the birth anniversary of the great leader President Kim Il-song.

Speaking at the reception, the ambassador said that his excellency President Kim Il-song, the respected leader of the Korean people, was no doubt a great revolutionary in the present century.

He noted: The Korean people are to greet the 15th of April, in the absence of President Kim Il-song this year. But his excellency Kim Chong-il, the great leader, is carrying forward his intentions in all domains.

His excellency Kim Chong-il, the great leader, is continuously deepening the intimacy which President Kim Il-song had with the leaders of the Islamic Republic of Iran. He said he hoped that the two countries, anti-imperialist and independent, will further strengthen the friendly relations between them in the future.

Kim Yong-nam, member of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea, vice-premier of the Administration Council and foreign minister, in his speech said: The 80 odd year life of our leader was a brilliant one of the great revolutionary and the people's kind father who devoted his all to the freedom and happiness of the people, peace of the world, the common cause of humankind and friendship and solidarity with the progressive people the world over.

We greet the 15th of April with boundless empty feelings and regret today but we are full of optimism and the faith in certain victory in the socialist cause of chuche because we are led by the great leader Comrade Kim Chong-il with the same idea, leadership ability, virtues and personality as the respected leader Comrade Kim Il-song.

We will make active efforts to further strengthen and develop the friendly and cooperative relations existing between the two countries, true to the intention of respected General Kim Chong-il.

Kim Yong-nam hoped that the Iranian people will make greater achievements in the work to defend the gains of the Islamic revolution and achieve a lasting peace and stability in the Persian Gulf area under the leadership of his excellency esteemed Khamene'i, the Islamic leader.

Anniversary Commemorated Abroad

SK1204102195 Pyongyang KCNA in English 1007 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The birth anniversary of the great leader President Kim Il-song has been commemorated in different countries.

Meetings were held in Sofia of Bulgaria and Ovorhangay Province of Mongolia on this occasion.

Addressing the meeting, Boris Petkov, chairman of the executive council of the C.C. [Central Committee], the Bulgarian Communist Party (Marxists), said:

"The glorious and brilliant 80 odd years of the respected leader Comrade Kim Il-song are a great history in which he founded the immortal chuche idea and devoted his all to the struggle for shaping the destiny of the Korean nation, accomplishing the cause of socialism and realizing global independence under its banner and performed the brilliant exploits.

"Comrade Kim Il-song was a great man who had dedicated his whole life to the cause for the people, and he was the highest model of great revolutionaries, communists.

"He was, indeed, the greatest of great men possessed of all characters and quality of a great man, whom the Korean people and the world's people have respected with deep reverence.

"Though he passed away, his august name, immortal feats and noble personality will remain forever in the hearts of the world's progressive people."

Lecture meetings were held by the Finland-Korea Association and at the College for Oriental Languages Studies of the Stockholm University in Sweden, the group for the study of the chuche idea of the Los Andes de Huancayo University of Peru and the Teachers' House of Peru, the Huazana District, Harare Province, Zimbabwe, Society for the Study of Kim Chong-il's Works and the police school of Zambia.

The Korean film "The Great Life in 1994" was screened in India, Uganda and Tanzania.

Meanwhile, a joint meeting of the Senegalese Organization for Friendship With the Fraternal Korean People, the Senegalese Peace Movement, the Senegalese Association for Solidarity and Friendship With Peoples, the Senegalese Veterans' Association and the Pikine City Hall of Senegal was held in Dakar to commemorate the birth anniversary of President Kim Il-song.

The meeting discussed the items "On Grandiously Commemorating the 83rd Birth Anniversary of His Excellency the Great President Kim Il- song" and "On Giving More Active Support and Encouragement to the Korean People in the Just Struggle for National Reunification".

A joint action programme for grandiously commemorating President Kim Il-song's birth anniversary and a joint statement were adopted at the meeting.

More Foreign Countries Celebrate

SK1304050395 Pyongyang KCNA in English 0441 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—The birth anniversary of the great leader President Kim Il-song is being commemorated in foreign countries.

The Mozambican Committee for Friendship With the People of the Democratic People's Republic of Korea issued a statement on the occasion of the birth anniversary of President Kim Il-song.

The statement noted that greeting the birth anniversary of the great leader of the world revolution President Kim Il-song, they are looking back on the most brilliant life of the president who devotedly worked to carry out the cause of the people's independence, adding:

"He was the most outstanding thinker, theoretician and statesman and the great leader of progressive and revolutionary people of the world."

Noting that the cause of people's independence which had been led by President Kim Il-song is being victoriously advanced by another great leader Comrade Kim Chong-il, the statement expressed the belief that the cause of people's independence and socialist cause will win victory without fail under his leadership.

The chairman of the Central Committee of the Czechy-Morava Communist Party, Miroslav Grevenicek [spelling of name as received], called at the embassy of the DPRK in Prague.

He said that he could never forget the time when President Kim Il-song met him and that the great exploits of the president would be immortal.

The Tanzania-Korea Friendship Association issued a bulletin on the same occasion.

The bulletin edited articles titled "The Great Leader Comrade Kim Il-song Will Live Forever With Humankind" and "The Brilliant Life of People's Leader".

DPRK film shows, photo and book exhibitions or handicraft works exhibitions took place in Aba, Abia state of Nigeria, Agou Prefecture of Togo, Vantaa of Finland, Kinshasa of Zaire, Harare of Zimbabwe, Lusaka of Zambia, the National Committee of Children and the Environmental Protection Organization of Ghana.

People Visit Mangyongdae House

SK1304104695 Pyongyang KCNA in English 1022 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—April 15, birthday of the great leader President Kim Il-song, is being significantly commemorated in Korea.

Many people of all walks of life and soldiers of the People's Army are visiting the house in Mangyongdae where President Kim Il- song was born and other historical sites associated with his revolutionary exploits with the approach of the day. The number of visitors is larger than ever before.

Being briefed on brilliant life of President Kim Il-song who devoted his whole life to freedom and happiness of people, they sincerely miss him.

Various functions are taking place in Pyongyang, capital of Korea, and local areas.

A national seminar and other seminars and presentation were held at the Ministry of the People's Armed Forces and organizations of working people on his 83rd birthday.

Speakers at the seminars stressed the greatness of the immortal chuche idea and revolutionary exploits of President Kim Il-song and expressed their resolution to more deeply grasp them.

The national photo exhibition and the national art exhibition were opened to mark April 15.

Displayed there are photographs and art works showing the brilliant revolutionary activities and immortal exploits of President Kim Il-song and those on the Korean people who are turning out to implement his behests, changing their great sorrow at the loss of their fatherly leader into courage and strength.

The exhibition of Kimilsongia, which came into being in April 1965 named after the president, was opened in Pyongyang.

Displayed there are 600 plants of Kimilsongia in full bloom reflecting the warm hearts of the world people who intend to hold the fatherly leader in high esteem forever.

A ten day film show was opened on the 83rd birthday of President Kim Il-song.

In this period documentary films including "Great Life in 1994" and "The Great Leader Comrade Kim Il-song is Immortal" (Parts 1-4) and feature films depicting his greatness and noble popular traits are being shown across the country.

Souvenir stamps, a postcard and envelope were published on the threshold of April 15.

A national meeting will be held on April 14 to mark his 83rd birthday.

On April 15 a national meeting of the organisations of the Korean Children's Union will be held and the mass gymnastic display "Great Leader of People" will be performed by youth and children.

"Evening of April" will be held by the youth and students in Pyongyang.

Art performances will be given by the artistes of art troupes and school children from across the country at theatres, recreation grounds and parks.

The 13th round of the April Spring Friendship Art Festival which has been traditionally held from 1982 on the birthday of President Kim Il-song is going on since April 9 to more significantly mark April 15.

Meari Acoustics Center Built

SK1204110495 Pyongyang KCNA in English 1037 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The Meari Acoustics Company, the acoustics centre, was built here on the occasion of the birth anniversary of the great leader President Kim Il-song. It can turnout state-of-the-art acoustics.

The company with a total floor space of more than 3,500 square metres will contribute to the development of Korea's art.

It was commissioned into operation with a due ceremony on April 11.

Present there were Chang-chol, vice-premier and minister of culture and art; Yi Song-tae, chairman of the State External Economic Affairs Commission; Kim Kyu-sam, honorary managing director of the company and concurrently vice-chairman of the Okayama Prefectural Federation of Korean Traders and Industrialists in Japan under the General Association of Korean Residents in Japan.

Kim Il-song's Contributions Noted

SK1304052695 Pyongyang KCNA in English 0506 GMT 13 Apr 95

["Seminar on President Kim Il-song's Idea and Feats"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—A seminar on the idea of the great leader President Kim Il-song on the youth movement and his feats was held here on Wednesday on the occasion of his birth anniversary.

The participants paid a silent tribute to the memory of President Kim Il-song.

Speakers at the meeting noted that the great leader President Kim Il-song created the idea on the chuche-based youth movement in his early years and had led the Korean youth movement always along the road of victory and glory at every stage of the development of the revolution.

They said that thanks to his unusual intelligence and wise leadership the League of Socialist Working Youth of Korea (LSWYK) has been developed into a unique socialist youth organization of Korean style.

Remaining loyal to the guidance of respected General Kim Chong-il is a sure guarantee for defending and further glorifying the idea of President Kim Il-song on the youth movement and the feats he performed in leading it, the speakers stressed.

They called for working hard to make their country, their motherland more prosperous and accelerate the final victory of the socialist cause of chuche, closely rallied around the great leader Comrade Kim Chong-il.

Present at the meeting were secretary of the Central Committee of the Workers' Party of Korea Kim Chung-nin, LSWYK leading officials and youths and students.

Overseas Koreans, Foreigners Visit Kim's Statue

SK1304051295 Pyongyang KCNA in English 0449 GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—Vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) Kwon Sun-hwi, a U.S.-Korean resident Son Won-tae and his party, General Secretary of the National Alliance for the Country's Reunification (Pomminnyon) and Director of the Secretariat of the Pomminnyon Overseas Headquarters Im Min-sik, Permanent Chairman of the U.S. Headquarters of Pomminnyon Yang Un-sik, Vice-chairman of the Canadian Regional Headquarters of Pomminnyon Chong Hak-pil, Vice-chairman Sok Myong- son and Secretary General Cho Yun-hae of the International Korean Association (Unity) and Vice-chairperson of the Association of Supporters to the Kumgangsan Opera Troupe of Chongnyon Pak Chong-ae, on a visit to the socialist homeland, visited the statue of the great leader President Kim Il-song standing on Mansu Hill here on Tuesday [11 April] and laid bouquets before it and made a bow.

On the same day, a Nepalese parliamentary delegation headed by Vice-chairman of the National Council Dilip Kumar Shahi [spelling of name as received], a delegation of the Ministry of Radio, Film and Television of China led by Minister Sun Jiazheng and a delegation of the Kim Chong-il Kindergarten of Mongolia led by Superintendent T. Yanjin laid floral baskets and bouquets before the statue and paid homage to President Kim Il-song.

Bouquets were also laid before the statue on Wednesday by Yugoslav Ambassador to Korea Ljubomir Djukic and tourist groups from China, Austria and the United States.

Im Min-sik said, "The great President Kim Il-song will always be with our nation." And he renewed his determination to work hard to achieve at any cost the cause of national reunification President Kim Il-song had so ardently desired in his lifetime, true to his behests.

Dilip Kumar Shahi said that the great leader President Kim Il-song had devoted his all to the people all his life. "This is striking the world people with admiration," he added.

Sun Jiazheng stressed that President Kim Il-song had made enormous contributions to developing the friendship between the parties and countries of China and Korea.

Vols. 10, 11 of Kim Il-song's Works Published

SK1204114095 Pyongyang KCNA in English 1043 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The Workers' Party of Korea publishing house recently brought out "Kim Il-song's Complete Works" Vols. 10 and 11 which systematically and comprehensively carry immortal famous works of the great leader President Kim Il-song in chronological order.

Volume 10 records 72 famous works including historic reports, speeches, talks and instructions of respected President Kim Il-song from August to December 1949 and volume 11 includes speeches, talks, instructions and other works, 69 in all, from January to June 1950.

These works were published in the period of creation and construction when vigorous endeavours were made to further solidify the democratic base in the northern half of the country politically, materially, culturally and militarily under the complicated situation in which new war provocation manoeuvres of the U.S. imperialists who occupied South Korea and their stooges were getting all the more serious. They were also published in the historical period when a nationwide vigorous struggle was waged to smash the moves of the enemy for a perpetual division of the nation and realize the proposal of the party for a peaceful reunification of the country by firmly uniting all the patriotic and progressive democratic forces in the North and the South of Korea.

Volumes 10 and 11 comprehensively contain the outstanding ideas, theories and lines put forward by the great leader in this period to further strengthen the ranks of the party and the revolution and persistently step up the revolutionary struggle and constructive work, lucidly analyzing and viewing the rapidly-changing home and foreign situation and the requirement of our developing revolution with his clairvoyant extraordinary intelligence and scientific penetration, and the achivements and precious experiences in the struggle for their realisation.

Seminars on 'Greatness' of Kim Il-song Held

SK1204105695 Pyongyang KCNA in English 1013 GMT 12 Apr 95

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—Officials and members of the General Federation of Trade Unions of Korea, the Union of Agricultural Working People of Korea and the Korean Democratic Women's Union held seminars on the greatness of the respected leader President Kim Il-song here on Monday and Tuesday.

The participants in the seminars paid a silent tribute to the memory of President Kim Il-song who had devoted his whole life to the prosperity of the country and freedom and happiness of the people.

Speakers said that the great leader Comrade Kim Il-song hewed out from a new angle and glorified the modern history with his profound revolutionary theories and great revolutionary practice, wisely led all the revolutionary struggle to victory and glory with his unbounded devotion to the revolutionary cause and warm love for the people, and thus performed undying feats for the times and humankind.

They noted that the great leader put forward initiatives and proposals for national reunification on the basis of the chuche idea and wisely led the struggle for their materialization and made immortal contributions to accelerating the victory of the world revolution and the international communist movement by setting forth unique theories on the accomplishment of the human cause of independence.

The most outstanding of his revolutionary feats is that he successfully solved the problem of the continuity of the revolutionary cause, they pointed out.

The speakers recalled that he nominated the great leader Comrade Kim Chong-il as the only heir to the revolutionary cause of chuche and provided a solid organizational and ideological foundation and leadership system for the continuity of the cause of socialism of chuche through generations.

They stressed that all the union members should have the unshakable faith that the great leader Comrade Kim Il-song is always with them, deeply grasp his greatness and immortal exploits and devote all their energies and wisdom to make their country, their fatherland more prosperous under the leadership of the great leader Comrade Kim Chong-il.

Paper Praises Kim Il-song Reunification Program

SK1304104795 Pyongyang KCNA in English 1027 GMT 13 Apr 95

["To Found Confederal State Is Final Objective of Great Unity of Whole Nation"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—The great leader Comrade Kim Il-song, in the "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" which was personally worked out by him, set the founding of a unified state, independent, peaceful and neutral, as the final objective of the great unity of the whole nation, providing a major premise for the whole nation to unite as one with the common interests.

NODONG SINMUN says this in a by-lined article today.

The author of the article goes on:

As the great leader Comrade Kim Il-song taught, the unified state which our nation should build through great unity should become a pan-national unified state to represent all the parties, all groupings and all the members of the nation from all walks of life, while leaving the two systems and two governments existing in the North and the South intact.

There is no other way if an independent and peaceful reunification of the country is to be achieved under the condition that different ideas and systems exist in the North and the South of Korea and no one is going to concede or give them up.

The final objective of the great unity of the whole nation set forth by the great leader Comrade Kim Il-song is a most important factor which guarantees the realisation and success of great national unity as it accords with the specific conditions of Korea where different ideas and systems exist in the North and the South and with the interests of all the nation members and it is a very urgent matter acceptable to anyone who loves the country and the nation.

Power Plant Overfulfilling Daily Production Plan

SK1304012995 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 12 Apr 95

[FBIS Translated Text] Electric power producers at a power plant where Comrade Yi Pong-tok works are effecting upsurges in production. All generators are operating at full capacity to glorify the great leader's [suryongnim] birthday with greater labor results, and are overfulfilling daily production plans at 130 percent or more these days.

In particular, the generator operating team members maintain a high degree of efficiency in operating generators by tenaciously managing facilities and technology, so they are producing more electric power than planned every day.

The dam management team members are also making a great contribution to increasing electricity production by adopting a scientific and technological way of managing water gates, water, and the dam.

Importance of Chuche Idea in Strengthening Army

SK1204110095 Pyongyang KCNA in English 1030 GMT 12 Apr 95

["Highly Important Work that Makes People's Army Matchless Rank"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 12 (KCNA)—The 13th of April this year marks the 10th anniversary of the publication of "Let Us Further Strengthen the People's Army Into an Invincible Force", a famous work of the great leader Comrade Kim Chong-il.

Comrade Kim Chong-il, respected supreme commander, in the work elucidated in a correct way the programmatic tasks and methods arising in fortifying the Korean People's Army [KPA] into matchless ranks capable of smashing resolutely any provocations of the enemy, by thoroughly carrying out the military line of the Workers' Party of Korea.

The work consummates the chuche-oriented army-building idea and theory of the great leader Comrade Kim Chong-il.

Expounded in it are the question of giving full play to the political and ideological superiority of the Army in line with the revolutionary characters and mission of the KPA, the question of making all soldiers well versed in the chuche-based method of war and modern military science and technology and decisively upgrading their qualities to creditably fulfil their duty in keeping with the specific features and requirements of present-day war, and others.

NODONG SINMUN in a by-lined article today points out that the chuche-base military idea and theory elucidated in the work serves as a highly important guideline in strengthening and developing the KPA into a matchless army.

"With the thorough embodiment of the idea and theory in the work, the KPA has now been fully prepared politically and ideologically, militarily and technically," the article says, stressing:

"As we have a one-match-for-a-hundred revolutionary Army equipped with up-to-date attack and defence means, we are not shaken in face of any threatening of the imperialists with whatever modern weapons.

• Party Implements 'Politics of Benevolence'

952C0089A Pyongyang NODONG SINMUN in Korean 13 Dec 94 p 2

[Article by Hwang Chang-man: "Building the Socialist Party in Power Into a Motherly Party Is an Essential Requirement in Implementing a Politics of Benevolence"]

[FBIS Translated Text] In his classical work "Socialism Is a Science," the dear leader Comrade Kim Chong-il scientifically elucidated ways to put politics of benevolence into practice under socialism. With the perfect clarification in his laborious work of all problems arising in the implementation of a true politics of benevolence the leading principle has come to be established that will enable us to bring our mode of masses-centered socialism into ultimate perfection and go on glorifying it for ever.

The dear leader Comrade Kim Chong-il pointed out as follows: "In order to implement a politics of benevolence under socialism, we have to build the socialist party in power into a motherly party."

The working class party that came into power in socialist society must practice a politics of love and trust, namely, a politics of benevolence. When a socialist system is established, class conflicts are eliminated and human relations shift from relations of antagonism and distrust to those of love and trust. It follows that only by practicing a politics that bestows love and trust on all the people can the socialist party in power manage and operate the socialist society in a manner consonant with its inherent requirements.

For the working class party to practice a politics of love and trust is essentially related to its fundamental duties. The working-class party came into being by the requirements of revolutionary struggle to carve out the destiny of the masses, and that party holds it as its principal duty to lead the destiny of the masses in a responsible manner. The relationship between the party and the masses is at once a relationship of leading and being led and that of giving and receiving life and entrusting and caring about the future. The masses receive and embrace priceless political lives from the party and the leader and enjoy valuable and rewarding lives under the care of the party and the leader. This kindred tie between the party and the masses can be most durable and powerful when the party values the masses and loves them affectionately. The working-class party needs to wage a class struggle, but at the same time all its activities must begin with infinite love for and trust in the people and be permeated with love and trust all the way.

In order for the working-class party to practice a politics of benevolence, it is necessary to build the party into a motherly party. To say that the party is built into a motherly party means to make the party become the people's true helmsman and protector, who tenderly cares for the destiny of the masses in a responsible manner, just as a natural mother loves her children dearly and looks after them tenderly.

The working class party is a political weapon for implementing the thought and leadership of the leader. The leader governs through the party. To implement a true politics of benevolence, it is essential to build the socialist party in power into a motherly party, in addition to putting a political leader with infinite love for the people at the forefront. Only when the party really becomes the mother of the masses is it possible for the leader's politics of benevolence to become reality; for the leader and the warriors, the party and the people, to be bound together with love and trust; and for the whole society to be converted to a single sociopolitical living entity.

To say that building the socialist party in power into a motherly party is an essential requirement in implementing a politics of benevolence has something to do with the place and role the working-class party has in the socialist society.

For the implementation of benevolence, it is essential to build state organs and all political organizations as servants of the people. It is none but state organizations, including the government, and all other organizations in society that have the direct responsibility of implementing the leader's politics of benevolence. State organs and all other organizations in society must work out measures to implement the party lines and policies in concrete terms and carry them out. Whether or not the party's politics of benevolence is practiced thoroughly depends, in the final analysis, on whether or not state organs and all other organizations are built as true servants of the people.

The task to build all state and other organizations as true servants of the people can be done only by the working-class party. This is because the working class party is the only leading organization in socialist society. Strategic and tactical leadership in the cause of socialism is assured by the working-class party that accurately illuminates the road ahead for the development of society and the revolution, and knows how to organize and mobilize broad segments of the masses. No organization or group can replace the position and role of the party as the general staff that formulates the right strategy and tactics for socialist construction, and organizes and leads the struggle to implement them. Of all organizations and groups, including state power organs, in socialist society, the working class is the only one that came into being with the duty to provide policy-based strategic and tactical leadership in the revolution and that has the ability to practice such leadership. Accordingly, how state organs and all other organizations serve the people, in the final analysis, importantly relates to the question of how to build the party. This is to say that building the socialist party in power into a motherly party is a precondition for building state organs and all other organizations as true servants of the people. Only when the working-class party is built into a motherly party and establishes lines and policies from the point of view of taking full charge of the people's destiny and implement them can state organs and all other organizations in society under party leadership also devote themselves to the service of the people.

It is because our party has been built as a motherly party that state organs and all other organizations, including the people's government, are creditably fulfilling their intrinsic duties as servants of the people. Our party as a mother responsible for the destiny of the masses is not only looking after the political lives of people but also struggling to provide a more affluent and happier life for them, regarding it as the supreme principle for party activity to improve their living standards. Our people's government, which operates by holding party leadership as a lifeline, is looking after the life of not only each family but also each individual in the family, with the eagerness of the natural mother, in its capacity as the head of the national household responsible for the people's livelihood, and is constantly taking people-minded measures and improving our people's lives each day in its material and cultural aspects. It is because the party is a motherly party and because state organs and all other organizations in society are true servants of the people that the politics of benevolence being practiced in our country is so great and rock-firm.

That building the socialist party in power into a motherly party is an essential requirement for the implementation of a politics of benevolence, is the priceless truth proven by the practice of the revolution.

In the past, in some of the countries that were building socialism, they reduced their parties to power-wielding and power-abusing bureaucratic parties instead of building them into motherly parties that would take the responsibility for the destiny of the people and take good care of it. Their cadres in particular failed to wage an active struggle against the abuse of power and official corruption. All state and party policies, inasmuch as they are implemented through the cadres, can not be carried out properly, no matter how eager the state and the party may be to implement righteous politics, should cadres wield power and practice bureaucratism. The lesson of history tells us that for the socialist party in power to tolerate abuse of power, bureaucratism, and official corruption among cadres, amounts to digging its own grave.

Early on our party set it forth as the foremost requirement for the implementation of a politics of benevolence to build itself into a motherly party. Since then it has educated all cadres and party members in the spirit of boundless love for the people and the spirit of faithful service to them. To serve the people faithfully, functionaries must think about the people ahead of themselves and sacrifice themselves to struggle for the good of the people. To serve the people faithfully is a sacred duty of the communists, who find the real worth and reward of their lives in faithful service to the people. People participating in revolution join the working-class party, not for personal interests or fame, but to serve the people better. For this reason, our party has constantly stepped up ideological indoctrination among cadres and party members so that they may devote their all to the good of the people with a sense of honor and pride in being the members of a motherly party. With the party slogan "Serving for the people" etched in their hearts, our cadres are making strenuous efforts to serve the people faithfully as their errand boys and make the fruits of benevolence of the party and the leader available evenly to the people. This has been possible because our party has been built as a motherly party.

The politics of benevolence being practiced in our country is absolutely unthinkable aside from the dear leader's love and care for the people. The dear leader, who is carrying out the great leader's idea that "the voice of the people is the voice of heaven" to the letter, is always teaching that politics practiced by the working class-party should be the kind of politics that values the people and provides all kinds of benefits for them. The dear leader, who loves the people most and who has been devoting his entire life to the good of the people, treats the people as his revolutionary comrades and teachers and is always providing heart-felt benefits for the revolutionary warriors and the people in the benevolent spirit of the natural father. It is because they revere the dear leader as the great leader of our party and their own great leader that our people call the Korean Workers Party a motherly party and are constantly glorifying our mode of people-centered socialism, regarding it as precious as their very lives, with their destiny and future completely entrusted to the party.

It is boundless happiness and an honor for our people to live and struggle in the motherland of chuche where a politics of benevolence is being practiced under the leadership of the motherly party.

South Korea

No Progress Said in U.S.-DPRK Berlin Talks

SK1304030395 Seoul YONHAP in English 0259 GMT 13 Apr 95

[FBIS Transcribed Text] Berlin, April 13 (YONHAP)—U.S. and North Korean working-level officials agreed to disagree at their talks resumed here Wednesday to tackle the knotty issue of light-water reactor model to be supplied to North Korea under the agreement reached in Geneva last October.

They failed to make any progress in the negotiations concerning the supply of South Korean-model reactors to the North and simply exchanged position papers for consultation with their respective home governments as to whether or not the discussions should continue.

In the talks held alternately at the United States and North Korean Missions here for a total of over 10 hours, neither side retreated from the basic positions they expressed during the previous meeting in Berlin late last month, creating tensions at the negotiating table, diplomatic sources said.

They discussed matters related to a reactor supply contract between the Korean Peninsula Energy Development Organization (KEDO) and North Korea, including KEDO's role in the reactor project and fund-raising for the project, as well as the significance, to both sides, of the April 21 target date for concluding the contract, and whether or not the discussions should be continued.

The North Koreans reportedly demanded the negotiations start by addressing the proposal they made at the previous meeting in Berlin and asked the United States to produce a compromise proposal.

They did not retreat from their previous positions of opposing South Korean-made reactors and of allowing South Korea to have a central role in the reactor project. They kept insisting that South Korea be allowed a limited role in reactor fabrication and reactor installation for the project, informed sources said.

They even warned that North Korea would not sit idle if the April 21 target day for the reactor contract is not settled by that day.

The tensions at the negotiation table made both sides unable to decide whether or not to continue the discussions, though they agreed to contact each other after receiving new instructions from their home governments.

Diplomatic sources here observe the next round of the talks will be held Friday.

U.S.-DPRK Experts Fail To Hold 2d Session

SK1304114995 Seoul YONHAP in English 1122 GMT 13 Apr 95

[FBIS Transcribed Text] Berlin, April 13 (YONHAP)—U.S. and North Korean reactor experts failed to have their second-day session here Thursday morning due apparently to the lack of green signal from their home countries.

In the first-day session Wednesday, the two sides failed to narrow their differences and decided to determine whether to resume their talks on receiving instructions from their respective home countries.

There is a slim chance for having the talks in Thursday afternoon, either. But, the meeting may resume around Friday as both sides feel the need to carry on their discussion, a source said.

At Wednesday's meeting, the source said, both sides reiterated their existing positions.

U.S. delegates urged the North Koreans to accept the South Korean model of light-water reactors to be built in North Korea under the Geneva agreement.

North Korean experts kept rejecting the South Korean model, however, saying they can allow South Korea only a limited participation in the production and construction of the projected reactors, the source said.

North Korean Religious Organizations Profiled

SK1304071095 Seoul CHOSON ILBO in Korean 13 Apr 95 p 29

[Article by Kim Hyon-ho, acting deputy chief of the Political Department; Kim In-ku, a fellow at the Reunification Institute; and reporter Ku Song-chae—members of the North Korean Team of the CHOSON ILBO Political Department: "North Korean Religious Organizations"]

[FBIS Translated Text] Because of an incident involving An Ho-sang, the leader of Taejonggyo who entered North Korea, contacts and exchanges between North and South Korean religious figures have emerged as a new controversial issue. Even while alleging to exclude anything political from their contacts with ROK religious figures, North Korea habitually makes political remarks during these contacts. This is a natural phenomenon given the purpose of the establishment of the North Korean religious organizations and their characteristics.

There are four official religious organizations in North Korea: the Korean Christians Federation, the Korean Roman Catholics Association, the Korean Buddhists Federation, and the Central Guidance Committee of the Korean Chondoist Association.

These religious organizations insist they have inherited the tradition of the religious organizations that existed in North Korea until around the time of the Korean war. In reality, all original religious organizations disappeared due to religious suppression, which began in earnest after the Korean war. Instead, new religious organizations were formed in the early 1970's when North-South dialogue began, becoming part of North Korea's strategy toward the ROK.

Even though they are independent in appearance, North Korean religious organizations are under the direct guidance and control of the United Front Department of North Korea's Workers Party. The United Front Department is one of four departments in charge of schemes toward the ROK. The other three are the Social and Cultural Liaison Department, the Operations Department, and the External Information Research Department. The United Front Department's task is to form a so-called united front with all ROK organizations, except the ROK Government. The department has sections exclusively in charge of religious organizations.

For example, Section Six is in charge of the Korean Christians Federation. The United Front Department is also in charge of the Korean Social Democratic Party and Chondoist Chongu Party, the Workers Party's auxiliary parties. The fact that the United Front Department is in charge of North Korean religious organizations clearly shows what is the purpose of the establishment of North Korean religious organizations and the goal of their activities.

There is no sign these organizations are carrying out religious activities in North Korea; they are exclusively carrying out "anti-ROK activities."

Officials of these religious organizations are graduates of the Academy of Social Sciences or the Chuche Idea Academy, or those expelled from the United Front Department. Under Kim Chong-il's instruction, North Korea reportedly opened the Department of Religion at the Faculty of History, Kim Il-song University, in 1986 and produced 20 "religious experts" a year. These experts began to be assigned to various posts of these religious organizations.

Korean Christians Federation

The Korean Christians Federation became known to us in August 1973. The North Korean Christians Federation established in November 1946 is the mother body. In February 1974, the Korean Christians Federation issued a statement denouncing the ROK's emergency court-martial and suppression of the religious. Since then, the organization has engaged more in propaganda than purely religious activities. The organization has issued commentaries and statements denouncing the ROK or supporting North Korea's proposals whenever there was a political issue in the ROK. At the end of the 1980's, when the Pongsu and Chilgol Churches were built in Pyongyang, the Korean Christians Federation even denounced the ROK through religious ceremonies. In 1974, the Korean Christians Federation issued a statement denouncing the incident involving the National Federation for the Restoration of the Fatherland [Minchonghangnyon]; in 1975, it issued a statement denouncing the Yusin revitalization system and the suppression of the religious; and in 1982, it issued a statement supporting the proposal to hold "a meeting of 100 North and South Korean politicians." In 1986, it sent a letter to the World Christian Council and other organizations denouncing the 'Team Spirit' military exercise. In 1991, the Korean Christians Federation called for the establishment of a pannational reunification front by Koreans in the North, South, and overseas. In 1992, the organization toured five cities in the United States, holding seminars on the chuche idea and propagandizing North Korea's reunification method.

The Korean Christians Federation participated in various international religious events to promote exchange and dialogue between North Korean and ROK Christians. One example is that the organization participated in the Fourth International Conference of Christians held in Tokyo in March 1995 and agreed with the ROK's Christian Churches Council to hold the joint jubilee service at Panmunjom on 15 August, the 50th anniversary of liberation. The Korean Christians Federation also invited ROK Christian figures Rev. Kwak Son-hui and Rev. Kwon Ho-kyong to North Korea in 1991 and 1992, respectively, as well as foreign religious leaders like Rev. Billy Graham.

The Korean Christians Federation has only a central organization without lower branches. Chairman Kang Yong-sop has a diplomat's background. Kang is also a member of the Committee for the Peaceful Reunification of the Fatherland, the forward organization for ROK affairs, as well as a member of the Democratic Front for the Reunification of the Fatherland.

The minister of Pongsu Church is Yi Song-pong; the church has about 20 preachers, presbyters, and deacons. The minister of Chilgol Church is Yu Pyong-chol. The total number of Christians in North Korea is estimated at 10,000.

Korean Buddhists Federation

The Korean Buddhists Federation became known to us when it issued a statement denouncing the arrest of Rev. Pak Hyong-kyu in August 1973. The North Korean Buddhists Federation established in December 1945 is the mother body. Like other religious groups, the Korean Buddhists Federation also engages in anti-ROK propaganda at every possible opportunity through the chairman's statements and commentaries.

In May 1988, the first Buddha's birthday mass was held at Pohyon Temple in Mt. Myohyang. However, what the mass preached was: "In order to build an earthly Sukkavati, a pure land, the Korean peninsula must be denuclearized into a peace zone; to see, know, and act correctly is to struggle against the U.S. imperialists and the South Korean puppets," which is far from the Buddhist doctrine.

Externally, the Korean Buddhists Federation has been expanding exchanges with Buddhist circles in India, Sri Lanka, Thailand, and the PRC, with its main concern being making political remarks propagandizing North Korea's reunification policies. For instance, the organization participated in the board of directors meeting of the Asian Buddhist Peace Council held in September 1989 and demanded the adoption of a special resolution calling for the withdrawal of U.S. troops and nuclear weapons from the ROK.

At the time of liberation, there were nine home temples and 400 temples with about 1,600 monks and 35,000 believers in North Korea. North Korean radio reports that, as of 1993, there were approximately 60 temples, 300 monks, and 100,000 believers. Monks are called Zen masters and great Zen masters; there are no orders or factions. Monks do not shave their heads; they wear usual western suits, and only wear robes when high-level foreign guests and tourists visit their temples, or when they participate in international events.

The chairman of the Korean Buddhists Federation is Pak Tae-ho, and its vice chairmen are Hwang Pyong-tae and Choe Hui-chun. Pak Tae-ho, whose Buddhist name is Hangnim, is called the great Zen master. Pak is also a member of the Committee for the Peaceful Reunification of the Fatherland and a member of the Reunification Policy Committee of the Supreme People's Assembly. Choe Hui-chun is also the vice chairman of the Central Guidance Committee of the Chondoist Church.

The Central Guidance Committee of the Korean Chondoists Association

This association became active in February 1974 when it issued a statement, along with the Christians Federation and the Buddhists Federation of North Korea, denouncing the ROK's suppression of religious people in connection with the emergency court-martial policy back then. This association, whose predecessor was the North Korean Chondoist Church that was established in February 1946 with approval from the military government of the former Soviet Union, has played an active role in agitating South Korea.

A North Korean encyclopedia published in 1983 criticizes Chondoism as "a religion remodeled from our traditional religion of Tonghak which is characterized by mysticism and a lack of counteraggressive spirit and patriotism." Since the discovery of the Tangun tomb in October 1993, however, the North Korean Chondoist Association has promoted solidarity with South Korea's Chondoist church and Taejonggyo while holding various Tangun-related events. On the extension line of this purpose, North Korea arranged a memorial service for Tangun in December 1994 and recently invited An Ho-sang, head of Taejonggyo, and Kim Son-chok, Taejonggyo's chief secretary, to events marking the anniversary of Tangun's death.

At a ceremony marking the 135th (1,000th-day) anniversary of the founding of the Chondoist Church held on 5 April, North Korea agitated South Korean Chondoists and Taejonggyo believers to struggle to successfully hold the great national festival for reunification proposed by the North Korean authorities, saying: "Now is the time for North and South Korean Chondoists to devote themselves to achieve the fatherland's reunification in the nineties without fail, by gathering their patriotism and strength." Chong Sin-hyok was chairman of the Central Guidance Committee of the Korean Chondoists Association until 1989 when he was replaced by the South Korean defector Choe Tok-sin. When Choe died within a year of his appointment as chairman of the committee, Chong returned to the post. The present chairman who was appointed in 1994, is Chong Sin-hyok's wife, Yu Mi-yong. Vice chairmen of the committee are Kim Chol-min, Choe Hui-chun, and Han Yong-su.

The Korean Roman Catholics Association

This association was founded on 30 June 1988 and is the most recently founded religious organization in North Korea. Prior to its inauguration, North Korea invited a Vatican delegation, including the ROK's Reverend Chang Ik, as observers to a ministerial meeting of nonaligned nations held in Pyongyang in 1987; it also sent two delegates to an Easter mass at the Vatican in 1988 to make confessions and receive Holy Communion. This was a gesture aimed at giving off the image that the Chondoists were conducting their activities freely in North Korea to form a Chondoists' federation, and they used it both internally and externally. Right after the formation of the Chondoists' Federation, the Changchung Catholic Church was built in Pyongyang, where masses have been held occasionally, at times like Easter and Christmas. However, sermons delivered at the church on these occasions usually support the North Korean reunification policy or feature anti-ROK and anti-U.S. propaganda, calling for the withdrawal of the U.S. Forces from the ROK and the national reunification based on a confederal system, rather than giving lessons on religious doctrine.

In addition, North Korea has put forward various proposals to South Korea, including exchanges between South and North Korean Chondoists. When the country was liberalized, there were three parishes—Pyongyang, Hamhung, and Tokwon—and some 50 Catholic churches and cloisters in North Korea. There are some reported 50,000 believers in North Korea. North Korean radio says that as of 1993, there are only about 800 Catholics. Chang Chae-chol has been chairman of the Korean Roman Catholics Association since the inauguration of the association.

Farmers Protest U.S. Trade Pressure for Opening

SK1304035795 Seoul HANGUK ILBO in Korean 13 Apr 95 p 38

[FBIS Translated Text] Some 20 members of the Central Federation of Successors of Farmers and Fishermen held a rally opposing the opening of the market for U.S. farm and fishery produce in front of the U.S. Embassy in Chongno-ku Seoul on the morning of 12 April, and delivered a letter of protest to the U.S. Embassy calling for an immediate halt to the trade pressure.

Seoul Negotiates Solution to U.S. Trade Dispute

SK1304093095 Seoul YONHAP in English 0915 GMT 13 Apr 95

[FBIS Transcribed Text] Seoul, April 13 (YONHAP)—South Korea on Thursday informed the World Trade Organization (WTO) that it will accept the United States' request to negotiate on South Korea's customs clearance system for grapefruits and other perishable goods if the United States withdraws demand that the dispute be settled through a fast-track dispute settlement procedures, a Foreign Ministry spokesman said.

South Korea does not think the issue of clearing grapefruits and other perishable fruits at Korean ports should be subject to the fast-track dispute settlement under the WTO regulations, said Chang Ki-ho, director general of the ministry's international trade bureau.

"We, however, will follow the WTO regulations on dispute settlement if the U.S. withdraws the fast-track dispute settlement procedures and proceeds the negotiations on a normal dispute settlement procedures," Chang said.

He insisted that there's no urgency to deal with the case because the grapefruits in question have already passed through the customs.

He said that the ministry has informed the WTO and the United States of its position on the issue, adding that any final decision on whether the case falls on the fast-track or normal dispute settlement will be made at a dispute settlement body (DSD) Board of Directors meeting to be held late this month in Geneva.

He also said that the United States will have to choose one between putting the case in deadlock by refusing to withdraw the fast-track settlement and negotiating the case under the WTO normal dispute settlement.

The WTO regulation on the fast-track settlement requires one country challenged to react within 10 days from the start of the dispute and to conclude negotiations on the case within 10 more days.

The case then could be brought to a WTO panel when the two sides failed to reach an agreement within the designated 20 days so the panel could examine the case for additional nine months.

The regulation on the normal dispute settlement, meanwhile, calls on the side challenged to finish negotiations within up to 60 days before going to a WTO panel for further examinations.

The U.S. side, however, still insists that the case be handled on a fast-tract basis, charging that South Korean customs system has blocked various goods, including American grapefruits, from passing through the Korean ports, said Chang.

"They seem to consider it a recurring issue which should be redressed quickly, although South Korea has imposed a simplified customs clearance system as of April 3," Chang said.

Civilian Use of U.S. Army Pusan Pier Studied

SK1304043395 Seoul SEOUL SINMUN in Korean 13 Apr 95 p 22

[FBIS Translated Text] In a bid to increase Pusan Port's capacity to handle unloaded container cargo which has reached the point of saturation at the port, the government and the Democratic Liberal Party [DLP] decided on 12 April to take such emergency measures as actively using the port facilities at the Eighth Pier, which is now used only by the Eighth U.S. Army, for stevedoring civilian cargo.

The party and government made this decision at a National Assembly meeting held that day to discuss "emergency measures to handle container cargo at Pusan Port" in the presence of lawmakers from Pusan, including chief of the DLP Pusan Chapter Kim Chong-su and the chief of the Korea Maritime and Port Administration. The party and government also decided to hasten the ongoing construction of the Seventh Pier, which is supposed to be completed by 1998.

The meeting participants also agreed to form an emergency measure committee headed by the deputy chief of the Korea Maritime and Port Administration as soon as possible to prepare overall emergency measures.

They also decided to set about the construction of a new port on Kadok Island near Pusan and prepare other comprehensive measures to develop Pusan Port as the best container port in Northeast Asia, both in name and reality.

President Meets Visiting Japanese Businessmen

SK1304071495 Seoul YONHAP in English 0700 GMT 13 Apr 95

[FBIS Transcribed Text] Seoul, April 13 (YONHAP)—President Kim Yong-sam met a group of Japanese business leaders in Chongwadae Thursday to exchange views on ways to boost economic cooperation between the two countries.

The Japanese businessmen, led by Chairman Nobuya Hakura, are now in Seoul to attend a two-day conference of the Korea-Japan and Japan-Korea economic committees beginning Thursday.

The chief executive told the Japanese visitors that South Korea is most interested in rectifying its trade deficit with Japan, and that "to solve the issue, cooperation between businesmen is no less important than governmental efforts," according to Presidential Spokesman Yun Yo-chun.

President Kim suggested that those Japanese enterprises which are suffering from the strong yen, move their businesses to neighboring South Korea, and that the two countries' businessmen make joint investments with a view to advancing into third countries, Yun said.

Noting that the Seoul government has carried out extensive deregulation to make the country very convenient for doing business, Kim told the Japanese that deregulation plans will further expand in the future.

Hakura was quoted as responding, "a problem lies in that South Korea's trade deficit with Japan is expanding in scale, though improving in content." He pleged to make further efforts to improve the issue in the future.

Vietnam's Do Muoi Addresses Economic Seminar

SK1304132795 Seoul MAEIL KYONGJE SINMUN in Korean 13 Apr 95 p 9

["Gist" of speech by Do Muoi, general secretary of the Vietnamese Communist Party, at the "Seminar on Vietnamese Investment Climate" at the Shilla Hotel in Seoul on 12 April]

[FBIS Translated Text] I am very pleased to present, on the occasion of my first visit to the ROK, my greetings to you at the seminar on Vietnamese and ROK economic cooperation and to meet with ROK businessmen, who have made great contributions to the prosperity of the ROK—one of the four Asian dragons admired by the world's people.

I have read many books and heard a lot about the ROK's miraculous economic success. The ROK used to be a backward agricultural nation with meager natural resources and a low per capita income. During the short period of only 30 years, however, the country has developed into a newly industrialized country with an advanced industrial sector capable of competing in the world market.

Although Vietnam and the ROK are located a great distance from each other, they have many historical and cultural similarities. Both the peoples of the two countries are diligent, study hard, work hard, and are full of enthusiasm to achieve the prosperity of their countries.

My visit has enabled me to grasp a firmer conviction that we can turn Vietnam into a modern industrial nation and a civilized country in which people can lead an abundant life, in which the state is strong, and in which fair practices prevail in the society.

We know it will not be easy to attain this goal because the level of development of Vietnam is very low, and, unlike other countries, the Vietnamese people have had to cope continuously with several wars since they achieved independence 50 years ago.

These wars have left considerable aftereffects, a severe scar of destruction, and a serious wound that is still not completely healed. Moreover, for 20 years, trade bans and discriminatory treatment in international economic relations have been imposed on Vietnam.

We are very delighted to see that Vietnamese-ROK economic cooperative relations are being rapidly promoted on the basis of the principles of equality and reciprocity. The rapidly growing trade volume between the two countries has increased as much as six times over the past several years. Investment by ROK enterprises in Vietnam amounts to nearly $1 billion and the ROK has emerged as the fourth largest monetary investor in Vietnam. The names of representative ROK enterprises, such as Daewoo, Hyundai, Pohang Iron and Steel Corporation, Samsung, and LG are well known in Vietnam. Many small- and medium-sized ROK enterprises have also advanced into Vietnam.

This notwithstanding, we cannot remain satisfied with such a scale. Vietnam, which has a population of 72 million and a developing economy with a gradually improving standard of living, is emerging as a market that is not small. Vietnam has abundant manpower and our people are traditionally diligent, skilled, open to new things, and have a high level of scholarly attainments. Vietnam not only has a variety of natural resources, but is also situated at an advantageous geographical location. This means our country is in a rapidly progressing region located at a crossroads of lively global activity.

Our success in economic reform and our political and social stability are serving as important factors that enable foreign enterprises to operate in Vietnam with peace of mind.

Vietnam's peaceful and open-door foreign policy, which emphasizes the Asian-Pacific region, and President Kim Yong-sam's policies of globalization, diversification, and multilateralism are favorable conditions that can forcefully push for the development of our two countries' cooperative relations.

At this point, I would like to share with you several of my views about the prospects for cooperation between Vietnam and the ROK.

In the process of implementing industrialization and modernization policies, we should by all means develop some key industries—such as the iron, machine manufacturing (including shipbuilding), electronics, energy (including petroleum and gas), chemical, and construction equipment industries—while also paying attention to agriculture, the processing of agricultural products, and the production of daily necessities and export goods.

We are also attaching great importance to the construction of social overhead capital facilities, such as industrial and high-tech estates, bridges, roads, harbors, airports, and communications bases. I expect you to be interested in such fields.

We welcome representative ROK enterprises to Vietnam. However, there is one potential factor that should be utilized well, that is, small- and medium-sized

ROK enterprises, which have made large contributions to the ROK's development. We are stressing the importance of small- and medium-sized enterprises. Accordingly, I believe that ROK enterprises of a similar size can play a considerable role in promoting economic cooperation between our two countries.

We wish to see diversification in the form of economic and trade cooperation between the two countries, such as joint-venture projects, individual investment projects, trade on a processing-on-commission basis, and loans from ROK enterprises. In the process of implementing cooperation with Vietnam, we also hope that the ROK side will take much interest in technology transfer, transfer of management experience, and the fostering of managing manpower, technicians, and mechanics.

We fully understand that the number of Vietnam's social overhead capital facilities is small; relevant legal devices are not sufficiently provided; and administrative procedures are complicated. We are doing our utmost to reinforce social overhead capital facilities, to secure correctly structured legal devices, and to eliminate complicated procedures through conducting administrative reforms with a view to accommodating foreign investors, including ROK enterprises.

Another issue of concern is the ROK's large surplus in trade between the two countries. We hope that, for the sake of the promotion of mutual cooperation, the ROK Government and enterprises will create favorable conditions to encourage the ROK to import more Vietnamese goods, including goods produced by Vietnamese-ROK joint-venture plants.

We think both sides are satisfied with the scope of cooperation that has been realized over the past several years and its relevant results. We have come to be convinced that the two countries' cooperative relations will further develop in the future on the basis of the agreement reached at the Vietnamese-ROK summit.

This seminar will bring about new development in cooperative relations between the businessmen of our two countries.

Please be bold to advance into Vietnam for the interests of the two countries, Vietnam and the ROK, and for the prosperity of this region. I wish you success.

SRV Foreign Minister Discusses Bilateral Ties

SK1304071295 Seoul YONHAP in English 0656 GMT 13 Apr 95

[FBIS Transcribed Text] Seoul, April 13 (YONHAP)—South Korea and Vietnam can overcome the unhappy memories of South Korea's involvement in the Vietnam War by establishing cooperative relations in a sincere manner, Vietnam's Foreign Minister Nguyen Manh Cam said Thursday [13 April].

"What matters is the present and future, not the past," Nguyen said in a press conference at the Shilla Hotel in central Seoul.

"We Vietnamese have a tradition of living our lives in the present and future rather than in the past," he said. "If we have some unpleasant memories, we can take them in the right direction towards developing good relations at the present time."

He said that the two countries have agreed to have working-level talks soon on the construction of nuclear power plants in Vietnam.

South Korea is one of several countries which expressed their willingness to take part in the construction of nuclear power plants in Vietnam, Nguyen said, adding, however, that South Korea and Vietnam have yet to formalize any agreements on the issue.

He said that Vietnam wants to study South Korea's experience in economic development and its industrial technologies, noting that South Korea's efficient policy management has played an important role in its economic success.

"The South Korean Government promised that it will explain to us the failures it experienced in the course of economic development to help us head off such failures," the foreign minister said.

On the stalemate in negotiations between Pyongyang and Washington over the North Korean nuclear issue, he urged that South and North Korea must build trust between themselves to resolve the issue for the sake of peace and security in the Asia-Pacific region and the world.

The Vietnamese foreign minister meanwhile expressed his government's willingness to favorably consider supporting South Korea's efforts to join the United Nations Security Council as a non-permanent member.

He expected South Korea will become one of the most important trade and investment partners for Vietnam in the near future, considering the pace in which the two countries are developing trade, tourism and investment relations.

Views Supporting Seoul's UNSC Bid

SK1304053095 Seoul YONHAP in English 0516 GMT 13 Apr 95

[FBIS Transcribed Text] Seoul, April 13 (YONHAP)—Vietnam Thursday said that it would favorably consider supporting South Korea's bid to join the United Nations Security Council (UNSC) as a non-permanent member, according to the Ministry of Foreign Affairs.

While meeting with Foreign Minister Kong No-myong, Vietnamese Foreign Minister Nguyen Manh Cam also expressed Vietnam's understanding of South Korea's position on the North Korean nuclear issue and the inter-Korean dialogue, according to Foreign Ministry Spokesman Yu Kwang-sok.

Kong meanwhile agreed to closely cooperate with the association of Southeast Asian Nations (ASEAN) which Vietnam will join this July, Yu said.

Kong also said that South Korea will support Vietnam's efforts to join the World Trade Organization (WTO) and other international organizations.

The two sides also discussed a wide range of regional and bilateral issues, said the spokesman.

The Vietnamese foreign minister flew into the country Tuesday to accompany Vietnam's Communist Party General Secretary Do Muoi for his week-long visit here.

Egypt Agrees to Ambassador-Level Relations

SK1304014895 Seoul YONHAP in English 0017 GMT 13 Apr 95

[FBIS Transcribed Text] Cairo, April 12 (YONHAP)—South Korea and Egypt have agreed to establish ambassadorial-level diplomatic relations in the near future.

A senior official of the Egyptian Foreign Ministry said Wednesday, "President Muhammad Husni Mubarak decided last week to establish formal diplomatic relations with South Korea and Instructed Foreign Minister Amre Moussa to undertake procedures to that end."

Seoul will now be able to open formal relations with Cairo 34 years after it set up consular relations with the Middle East country in 1961.

All that remains to formalize the agreement is for the foreign minister of either country to visit the country of his counterpart to sign a protocol establishing full diplomatic relations between the two countries.

Egyptian Foreign Minister Moussa tentatively agreed to visit Seoul this month to sign the protocol with his South Korean counterpart Kong No-myong. However, as he has recently expressed reluctance to do so, it may take some time before an accord will be reached on who will visit the other's country and when.

Seoul's opening of full diplomatic relations with Cairo is expected to contribute significantly to boosting South Korea's political, diplomatic, economic and trade relations with the leading Middle Eastern country. It is also expected to expedite South Korea's diplomatic and economic advances to the entire Middle East.

Considered 'New Diplomatic Gain'

SK1304090495 Seoul YONHAP in English 0844 GMT 13 Apr 95

[FBIS Transcribed Text] Seoul, April 13 (YONHAP)—South Korea and Egypt Thursday agreed to fully normalize bilateral relations, the Foreign Ministry announced.

"The governments of the Republic of Korea and the Arab Republic of Egypt, desiring to promote and expand the ties of friendship and cooperation between the two countries and peoples, have agreed to establish full diplomatic relations at the ambassadorial level as of April 13, 1995," said Foreign Ministry spokesman Yu Kwang-sok.

"The two foreign ministers of the two countries will sign a protocol in this regard at a date mutually agreed upon," said the spokesman.

South Korea has now established full diplomatic relations with all of 53 African states, the spokesman said. Egypt became the 179th country to have diplomatic relations with South Korea.

He said that South Korea solved one of the biggest diplomatic problems during the past decades since South Korea set up consular-level relations with Egypt in 1961. He observed that the setting up of full diplomatic relations with a major power in Africa and the Middle East will serve as a turning point for South Korea to play a bigger role in the region.

The ministry expects the new diplomatic gain to help Seoul in its bid to enter the United Nations Security Council (UNSC) considering the leading role Egypt plays in the Middle East and with nonaligned countries.

Although the spokesman did not want to elaborate on when or where a signing ceremony will take place, ministry officials expect the signing ceremony to occur in less than one month.

The Cairo government has long coolly reacted to Seoul's overtures for diplomatic normalization in consideration of its friendship with North Korea, which sent pilots to Egypt to help the Egyptian Air Force during the 1973 Middle Eastern war between Israel and Arab states.

Egyptian President Husni Mubarak has maintained close relations with North Korea's Kim Il-song since the war during which Mubarak served as Air Force commander.

Mubarak visited North Korea three times since the 1980s.

The mood, however, changed during the late 1980s, especially after Seoul hosted the Olympic Games in 1988, according to ministry officials.

Since then, South Korea has sent ministerial-level officials and special presidential envoys to Egypt to persuade Egypt into normalizing its relations with South Korea.

The death of Kim Il-song last July has motivated Seoul to step up its effort to get the Egyptians to positively consider normalizing relations with South Korea.

Egypt established diplomatic relations with North Korea in 1963 and the current bilateral trade volume is less than 10 million U.S. dollars annually.

South Korea, meanwhile, exported goods totaling 360 million dollars to Egypt last year with over 15 businesses operating in the Islamic country.

Egypt has 58.4 million people occupying 1.1 million square kilometers of land (about five times the size of the Korean peninsula).

Mongolian Prosecutor General Visits Minister An

SK1304062795 Seoul YONHAP in English 0601 GMT 13 Apr 95

[FBIS Transcribed Text] Seoul, April 13 (YONHAP)—Justice Minister An U-man received Mongolian Prosecutor-General Nanzadyn Ganbayar [spelling of name as received] Thursday [13 April] afternoon and discussed judicial affairs affecting the two nations as well as ways to promote bilateral cooperation.

Minister An said, "As personnel and material exchanges have been increasing between South Korea and Mongolia, the necessity to strengthen bilateral cooperation in the area of judicial affairs has also increased."

The two countries should promote bilateral understanding through exchanges of judicial data as well as personnel from the Justice Ministry and the prosecution, he added.

*President Kim Holds Economic Ministers Meeting

Direction of Conglomerate Policy

952C0086A Seoul HANGUK ILBO in Korean 10 Feb 95 p 2

[By reporter Yi Song-chol]

[FBIS Translated Text] The government has made it clear that it will no longer tolerate conglomerates having their ownership concentrated in a handful of investors and stretching out their business like the arms of an octopus.

Following President Kim Yong-sam's announcement of the "globalization doctrine" late last year, the government performed a surgical operation on itself for its own renewal, and it is now pressing conglomerates to follow suit. Now that, goes the argument, one of the two horses pulling the carriage has changed, the other horse, namely, business, should also change its old ways and remodel its structure after "the pattern of globalization."

When the strong initial winds of inspection and audit that immediately followed the inauguration of the new government blew over, the business community expected that the government would relax its policy toward the conglomerates. To the contrary, however, the government last year revised the Fair Trade Law in the face of many difficulties to limit the total investment of conglomerates up to 25 percent (of their net assets), and more recently, through the enforcement ordinance for this revision, reaffirmed the principle of "no exemption from the limit to the total investment unless the ownership is diffused." In this way the government has put in place statutory devices to prevent the ownership concentration and octopus-like business expansion of the conglomerates. And at the 9 Feb Chongwadae conference of the new team of economic ministers, President Kim at last candidly referred to the actual state of conglomerate ownership and management style by saying, "large corporations should not try to narrow the playing field of small and medium business by operating like a fleet of boats." This amounts to a declaration of his firm stance against the concentrated ownership and octopus-like business diversification of conglomerates. It also gives a glimpse of the government's "new conglomerate policy" clearly different from the policy of the past two years.

In fact, the government's conglomerate policy has been halfhearted while seeking diffusion of corporate powers and encouraging specialization. At one time the government seemed to strongly "oppose" conglomerates, and at another it appeared to be trying to "protect" them. The principle of specialization ceaselessly came into conflict with the principle of free entry and free exit, and it has lost its justification with Samsung's entry into passenger car manufacture and Hyundai's entry into steel making.

The government's new conglomerate policy, the policy of seeking the restructuring of conglomerates in keeping with the age of globalization, is "focused" on the diffusion of conglomerate powers through the deconcentration of ownership. This policy is based on the view that the monopoly of national added value by a handful of enterprises or individual owners is intolerable as it runs counter to the philosophy of globalization. The intention of the government to diffuse the ownership of conglomerates, that is, reducing the shares of the owners drastically, in order to lead conglomerates into the "form of enterprise which is private but not personal," and to separate capital from management. The government will go further and seek a weight reduction of conglomerates by inducing them to sell their nonmainline affiliates—which are a by-product of the octopus-like diversification—and trim their extra fat so that they may have only the muscles that they need.

Needless to say, this policy is a product of agreement between Han Yi-hyon, presidential senior secretary for economic affairs; Yi Chae-sok, vice minister of finance and economy; and Pyo Se-chin, chairman of the Fair Trade Commission. Said a high-ranking government official: "An artificial dissolution of conglomerates is impossible; but our ultimate goal is to make them go public while recognizing the existence of large shareholders."

Following the lead of the Samsung Group affiliates, Hyundai announced its plan to sell some of its affiliates, and now the Daewoo Group has completed all necessary preparations for restructuring and is going to announce the plan to sell some of its affiliates as soon as the date for announcement is set. Leading conglomerates are reducing their sizes and reorganizing their structures simultaneously, and this is a positive response on the part of the conglomerates to the strong atmospheric current of the new policy toward conglomerates. Judging from their present intensity, the strong winds of conglomerate restructuring will continue to blow through the business world for the time being.

However, it remains to be seen whether the current level of restructuring will satisfy the government because even if conglomerates dispose of some small affiliates, it would be far short of the goal of diffused ownership as sought by the new policy toward conglomerates. In particular, the "fleet-style management" as referred to by the president during the 9 February economic ministers conference is directly related to the issue of reducing or eliminating each conglomerate's office of planning and coordination, which is the symbol of octopus-like diversification and which may be called the owner's control tower. Accordingly, depending on the toughness of the government's conglomerate policy, there may be a second and a third wave of restructuring in the future.

New Policy To Support Small Business

952C0086B Seoul SEOUL SINMUN in Korean 10 Feb 95 p 9

[By reporter Kwon Hyok-chan]

[FBIS Translated Text] The policy for small and medium business announced by the government on 9 February is, in short, extraordinary. The new policy includes bold measures such as: extending the time limit for automation and other aspects of restructuring, spending an additional 1 trillion won in support of restructuring, increasing the maximum amount of discount allowed on commercial bills, raising the maximum amount of credit guaranty, and establishing local credit guaranty banks.

Effects of Funding Support for Small and Medium Enterprise

—Direct Effects (in billions of won)

• Financial resources for commercial discounts	960
• Financing advance receipts on exports and deferred payments for imports	800
• Support for technology development	1,190
• Regional technology development consortia	5
• Funding for structural improvements	1,000

—Indirect Effects Through Credit Guaranty

• Support for existing credit guaranty institutions	4,300
• Establishment of regional credit guaranty institutions	900

The projected amount of direct assistance alone is 3,955 billion won. When credit guaranties are added, mid-long-term financial support will amount to 9,150 billion won in the aggregate, although there may be some overlapping.

Last year small and medium enterprises scored a 15 percent increase in exports, buoyed by the booming economic condition. Cases of new business initiation averaged 1,387 per month, much numerous than last year (995 cases).

Nevertheless some promising small and medium enterprises went bankrupt because of a fund shortage, and others experienced difficulties in financing their operations. The number of companies that issued bad checks averaged 926 per month last year, larger than the comparable figure of 792 cases in the preceding year. The ratio of dishonored checks increased by 0.04 percent to 0.17 in a year. This is rather an alarming rate even considering the bankruptcy of marginal enterprises which lost their competitiveness.

The package places emphasis on promoting a structural readjustment of small and medium business through the exit of marginal enterprises while resuscitating promising ones. It seems to suggest that small and medium enterprises should take part in the race as soon as they became able to do so in this age of competition, but it is still early to herd all of them into the "arena of competition."

A salient point of the package is the expansion of credit guaranty for small and medium enterprises lacking collaterals and creditworthiness. Currently, the general credit guaranty funds and the technology credit guaranty fund are almost depleted, and more than half of credit guaranties provided are concentrated in the capital city and its surrounding areas.

By raising the upper legal limit to the amount of credit guaranty that credit guaranty institutions can provide to 20 times their basic assets, the package gives them enough room for providing an additional guaranty amounting to 4.3 trillion won. Under the package, new credit guarantee associations capitalized at 20 billion won each will be established in each city and province, and each of them will provide credit guarantees up to 1 trillion won through credit reinsurance (up to 70 percent).

—Financial Support: The upper limit of credit guaranty that guaranteeing institutions can provide for bonds newly issued by small and medium enterprises is raised from one-fourth to one-third of the sales volumes of the issuing enterprises in the preceding year. Affiliates of the first largest 10 conglomerates with well-diffused ownership are exempted from the limit to the amount of investment in initiation investment firms so that the financial resources for initiation capital may be increased. The minimum amount of cover bills issued by banks is lowered to 10 million won from 20 million won per trading session.

—Support for Credit Guaranty: The deadline (the end of this year) for contributions to the Credit Guaranty Fund by financial institutions will be extended. Credit guaranty associations will be organized beginning in

Kwangju and South Kyongsang Province. The plan currently under study calls for the local government, financial institutions, the local chamber of commerce and industry, and the central government to contribute 5 billion won each. There will be no limit to the rates of guaranty fees, and variable rates will be applied depending on the creditworthiness of each enterprise.

—Structural Improvements: The structural improvement program, scheduled to be wound up by next year, will be extended to 1997, and funding in its support will be increased to 5 trillion won from 4 trillion won. To maintain the interest rate differentials through low-interest loans, a small and medium business lottery (40 million won) will be issued beginning in May.

—Quality Innovations: A 100 PPM quality improvement program will be pursued ahead and firms qualifying for ISO-9000 stand certification will be increased to 5,000 from 123 by the year 2000. The Industrial Advancement Administration will prepare a "Business Health Record" and give systematic guidance to firms seeking quality innovations.

—Improvement of Technology:

A 5-ear plan for developing the infrastructure for technology will be implemented and funding for technology development for small and medium business will be increased. Currently, there are only four centers for fostering newly organized enterprises, but the number will be increased. Government-financed research organizations and universities will strengthen their supportive roles for small and medium enterprises. The scope of the ROK-Japan cooperation program for small and medium enterprises, which is currently limited to four sectors, will be expanded, and the number of enterprises participating in the program will be increased.

—Exploration of New Markets: A department store exclusively for products supplied by small and medium enterprises will be built in Mok-tong, Seoul, by 1997. It will have 20 stories, five under the ground and 15 above the ground, with a total floor space of 20,000 pyong on a lot of 2,900 pyong. Over 200 enterprises which meet the quality standards will keep shops in the department, sell their goods at prices 40 to 50 percent lower than the market prices, and "graduate" after a certain period of time. There will be exhibitions and spot sales of local specialities.

—Cooperation With Large Corporations: For division of labor between small and medium business and large corporations, business categories that need corporate affiliation by nature will be designated as business categories fit for affiliation whereas those business categories which are being operated by large corporations but can be operated more efficiently by small and medium enterprises will be turned over to small and medium enterprises. The number of councils for consultations between buyers and suppliers, currently established in 126 corporations, will be increased, and support for credit guarantee for small and medium enterprises will be expanded.

—Local Small and Medium Business:

Five industrial estates in North Cholla, South Cholla, and Kangwon Provinces will be designated as special areas for support for small and medium enterprises. Funding for fostering local small and medium business will be increased, and interest rates on loans to small and medium enterprises lowered to 7 percent from the current 7.5 percent. Consolidated small and medium industry centers will be established in Kwangju and Taejon this year. "Regional cooperative technical support centers" will be established in 11 local industrial technology institutes.

—Support for Globalization Efforts: In the use of overseas investment funds in the Export-Import Bank, priority will be given to support for small and medium business. The International Trade Training Center under Korea Foreign Trade Association will be reorganized to train personnel necessary for small and medium enterprises in their globalization efforts. The export approval procedures will be eliminated for exports on letters of credit.

Gist of Nine-Point Support Package for Small & Medium Business

1. Drastic expansion of financial support for small and medium enterprises

- Increasing financial resources of the Industrial Bank of Korea for discounting commercial drafts (capital increase of 140 billion won; 100 billion won in special financial support).
- Permitting Mutual Credit Bank to issue cover bills (Apr 95).
- Abolishing upper limit to amounts that small and medium enterprises can receive in advance for exports (Feb 95).
- Extending term of deferred payment by small and medium enterprises for imports by 30 days (Feb 95).
- Expanding limit to amount of guaranty for bond issues by small and medium enterpriss (increase to ⅓ from ¼ of sales volume).
- Easing stock listing requirements for small and medium enterprises (years in business reduced to seven years from 10 years).

2. Radical reinforcement of credit guaranty system for small and medium enterprises

- Establishing credit guaranty associations in each region (two or three in 1995).
- Increasing credit guarantying capability of existing credit guarantying institutions (legal multiple to be raised to 20 times [their basic assets] from current 15 times).

3. Expansion of small and medium business restructuring program

- Extending restructuring program (from 1996 to 1997; additional funding of 1 trillion won).
- Issuing small and medium business development lottery (40 billion won in 1995).

4. Extensive implementation of quality improvement program

- Carrying out full-scale 100 PPM quality improvement program.
- Supporting efforts to obtain ISO 9000 standard certificates (5,000 firms by year 2000).

5. Improvement of technical standards of small and medium business

- Expanding technology development funds (from 872.1 billion in 1994 to 1,188.8 billion won in 1995).
- Free-of-charge technology transfer from research institutes and universities to small and medium enterprises (150 cases in 1995).
- Expanding ROK-Japan cooperative program for small and medium business in parts sectors.

6. Construction of department stores exclusively for articles supplied by small and medium enterprises

- Building one such department store with floor space of 20,000 by 1997 (in Mok-tong, Seoul).
- Building local permanent exhibition and sales stores on a gradual basis.

7. Promotion of practical cooperation between small and medium business and large corporations

- Inculcating cooperative spirit through joint study sessions by managers of small and medium business and large corporations.
- Enlarging scope of tax exemptions for projects carried out by large corporations for small and medium enterprises.

8. Increased support for local small and medium business

- Increasing funds available to small and medium business (250 billion won); and lowering interest rates on loans (from current 7.5 percent to 7 percent).
- Designating special areas for support for local small and medium business (in five industrial estates).
- Establishing consolidated support centers for small and medium business (in Taejon and Kwangju).
- Establishing regional cooperative technology support centers (in 11 local industry technology institutes).

9. Assistance to globalization efforts of small and medium business and relaxation of regulations

- Increasing support for small and medium business in its efforts to expand business overseas (priority funding support for overseas investments).
- Abolishing export approval system wholesale for exports based on letters of credit (payable at sight), and exempting exports amounting to less than $30,000 on other methods from advance approval requirements.

Senior Presidential Aide Resigns for Elections

SK1304033995 Seoul YONHAP in English 0300 GMT 13 Apr 95

[FBIS Transcribed Text] Seoul, April 13 (YONHAP)—President Kim Yong-sam accepted Thursday the resignation of Senior Presidential Secretary for Governmental Affairs Yi Ui-kun, clearing the way for him to run in the gubernatorial election in North Kyongsang Province.

Kim is to name Yi's successor late Thursday or Friday, who will most likely be selected from among former Home Ministry officials.

Yi will begin procedures for joining the ruling Democratic Liberal Party later in the day.

DLP Considering Federal Officials for Mayorship

SK1304013995 Seoul THE KOREA TIMES in English 13 Apr 95 p 2

[By staff reporter Sin Hak-im]

[FBIS Transcribed Text] As the ruling Democratic Liberal Party [DLP] is in serious trouble finding a prospective candidate for the Seoul mayoral election slated for June 27, eyes are turning to two top government postholders.

One is Prime Minister Yi Hong-ku and the other is Deputy Premier- Unification Minister Na Ung-pae.

In conclusion, however, both of them have shown no interest in assuming the role.

Upon hearing reports that his name has been mentioned by senior DLP members in connection with the Seoul mayoral election, Prime Minister Yi gave no response, as if to ignore the speculation, according to an aide, who wanted to remain anonymous.

Their names surfaced again as a promising candidate vis-a-vis former Deputy Premier-Economic Planning Minister Cho Sun, who is likely to become the opposition Democratic Party [DP]'s candidate, after former Prime Minister Yi Hoe-chang made it clear recently that he was not interested in becoming the mayor of Seoul, to say nothing of seeking the candidacy of either the ruling or opposition parties.

Incumbent Prime Minister Yi attracted particular attention from the political circle when he went to Chongwadae [presidential offices] for his weekly meeting with President Kim on Monday, four days earlier than scheduled, Prime Minister Yi briefs the president on state administration once a week, usually on Friday.

Aides to President Kim and Prime Minister Yi explained that the weekly meeting was advanced because of a planned inspection by the president of local administrations on Friday.

However, observers speculated that President Kim may have wanted to hear the opinions of the 61-year-old former professor of politics about the upcoming local elections and the nomination issue, in particular. President Kim concurrently heads the ruling DLP.

Signs indicate that President Kim also has come to the conclusion that it is too "risky" to pick the incumbent prime minister as the party's Seoul mayoral candidate.

This was backed by the report that Prime Minister Yi plans to make an official visit to China next month in return for the visit made by Chinese Premier Li Peng last year.

Aides to Yi cited several "circumstantial" reasons why Yi cannot and should not be picked as the ruling party's candidate.

First of all, they said, just four months have passed since Yi was tapped as the fourth prime minister of the Kim Yong-sam administration. If he is chosen as the DLP's Seoul mayoral candidate, President Kim will face criticism from opposition parties as well as the general public for changing prime minister too often in such a short period of time. Before taking office on Feb. 25, 1993, President Kim pledged that he would not change Cabinet members, including the prime minister, in order to administer state affairs in a consistent way.

Second, the choice of Yi will help fan the main opposition Democratic Party's move to make the forthcoming local elections as an occasion for the so-called "mid-term appraisal" of the Kim Yong- sam administration.

The ruling party has so far asserted that the local elections be conducted free of bipartisan strife. Based on this belief, the ruling party has suggested that political parties be banned from nominating candidates for the elections of chiefs of primary local administrative units, but failed to realize their goal.

The opposition DP, for its part, countered the ruling party allegation by saying that the nomination by the political parties of the candidates are natural for the local elections, a pillar of grassroots democracy.

"If the ruling party were to nominate Prime Minister Yi as its candidate for the Seoul mayoral election, an all-out inter-party war will inevitably follow, thus being caught in a booby trap set by the opposition party," another aide to Prime Minister Yi told THE KOREA TIMES.

On top of this, Prime Minister Yi personally does not want to jump into the Seoul mayoral election, his aides added.

In the meantime, Deputy Premier-Unification Minister Na also was quoted as having told his aides that he wants to "devote myself to dealing with inter-Koran and unification affairs only."

Under these circumstances, only President Kim knows what "terrible" fate awaits Prime Minister Yi.

Pak Suggests Alignment With DLP for Election

SK1304080395 Seoul YONHAP in English 0714 GMT 13 Apr 95

[FBIS Transcribed Text] Pusan, April 13 (YONHAP)—Rep. Pak Chan-chong of the New People's Party (NPP) suggested Thursday that he could align himself with the ruling Democratic Liberal Party (DLP) for the election for Seoul mayor.

Rep. Pak, who had declared his intention to run for Seoul mayor, said that in order to prevent the Seoul mayoral election from being marred by a regionalism-oriented rivalry, it is important that political parties should support a qualified figure regardless of his or her party affiliation as Japanese political parties are doing.

He criticized that the current move for a merger by the opposition Democratic and New People's Parties is not justifiable. "I do not know for what purpose the parties are pushing for a merger."

Before delivering a speech on the problems and prospects of the localization era at a college here, he added, "if it is against the law that I run in the mayoral election on an independent ticket while I am affiliated with the NPP, I will leave the party."

*DLP Opens Political Science Research Institute

952C0084B Seoul CHUGAN CHOSON in Korean 16 Feb 95 pp 24-25

[By reporter Sin Chong-nok]

[FBIS Translated Text] Is this a "Kim Yong-sam political school" to match the "Kim Tae-chung political school"?

On 6 February a new signboard was hung on the Tong-U Building about 50 meters from the DLP Headquarter Building in Youido, Seoul. It is the signboard for the mammoth "Youido Institute" inaugurated by the DLP with a fund of 4.3 billion won from the government subsidy. Its abbreviated English name is YDI. The YDI, a juridical foundation, has a combined floor space of over 500 pyong occupying the whole fifth and sixth floor of the building. The institute made an ambitious start at a signboard-hanging ceremony on that day.

Some of the political observers who attended the ceremony mentioned the words "the post-Two Kims era." They uttered this expression because what crossed their minds while watching the ceremony was the picture of the Asia Foundation in Tonggyo-tong (actual address is Changchon-tong) just across the Han River. According to them, if there is anything different, the difference is that the "era of Two Kims" was centered on the power game whereas the "post-Two Kims era" is focused on struggle by brain power.

It is not clear as yet whether or not the YDI and the Asia Foundation will really become the two opposing axles in the "post-Two Kims era." Before arriving at a conclusion one way or another, it is necessary to observe the direction of activity at the YDI for awhile. Explaining the reason for the founding of the YDI, the DLP said, "we wanted to put the greatly increased state subsidy to a more effective use." However, the dominant view is that from a long-range point of view, the two foundations will play the role of policy-development windows or personnel banks for the two Kims and for the political power groups that will emerge with the Sangdo-tong and Tonggyo-tong groups as their parent groups.

The Asia Foundation came into being ahead of the YDI. It was inaugurated on 27 January 1994, six months after Board Chairman Kim Tae-chung returned home from England. Its purport is "to study and develop theories and policies concerning the peaceful unification of the Korean peninsula, democracy in Asia, and world peace, and conduct education and publicity on these theories and policies." The main source of funding for the establishment of the foundation was two pieces of real estate donated by Kim Tae-chung's wife, Mrs. Yi Hui-ho, (3 billion won at the current price). The chairman of its board of directors is Kim Tae-chung. There are six board members. They are: Mrs. Yi Hui-ho; Yi Mun-yong, Kyonggi University professor; Choe Yong-kun, former member of the National Assembly; Pyon Chong-su, former adjudicator of the Constitution Court; Cho Yong-hwan, secretary general of the foundation; and Nam Kung-chin, DP National Assembly member. The foundation has six permanent researchers. The monthly expense of the foundation exceeds 30 million won. The Asia Foundation is housed in a rented office with a floor space of 98 pyong on the seventh floor of Aryung Building in Samchong-tong.

Since its founding, the Asia Foundation has steadily expanded the scope of its activity. In the early stage it shunned publicity as much as possible. But since late last year, it began to look more outward through, among other things, its supporters organization. In early December it hosted an Asia-Pacific conference of democratic leaders with pull. It inaugurated its supporters organization at a ceremony. The foundation has held several events, which its officials say cost more than 60 million won each. The Unification Project, a large project participated in by more than 100 university professors, is now in the wind-up stage after completing studies on each research subject.

The number of supporters of the Asia Foundation are said to be approaching a total of 10,000. Members of the advisory group include: Cardinal Kim Su-hwan; Song Wol-chu, secretary general of the Chogye Buddhist sect; Yi Tae-yong, director of a firm for legal consultations on domestic disputes; Kang Won-yong, director of the Christian Academy; former Soviet President Gorbachev; and former Philippine President Corazon Aquino. On the other hand, the foundation's consultative group includes virtually all academic heavyweights such as: Kim Chong-un, president of Seoul University; Song Chae, president of Yonsei University; Chang Ul-pyong, president of Songgyungwan University; Pak Hong, president of Sogang University; Kim Min-ha, president of Chungang University; and Cho Wan-kyu, former president of Seoul University. In addition, as if reflecting the Board Chairman Kim Tae-chung's "propensity to learning," he has close to 200 professors as his consultants.

That is why some say the Asia Foundation is a "private research institute" that has grown the fastest in the shortest period of time.

There is a reason for the fast growth of the Asia Foundation. Critics say, in short, a proper combination of "power" and "policy" is the secret of growth. They say that the key to attracting a large number of people should be found in packaging the merchandize called the basic political philosophy in a package of policy directions.

A DP member made this comment: "Suppose the DP operates a similar foundation, do you think anyone would care to join it? They flock to the Asia Foundation because it is run by TJ [Kim Tae-chung]. Removed one step as he is from politics, he has persistently maintained his connection to the political world. Therein lies the key to attracting people. In a word, the Asia Foundation should be seen as an organization playing the role of a "TJ political school" that steadily trains its students." The YDI should also be viewed in this same light.

Opened one year later than the Asia Foundation, the YDI is showing considerable ambition from the beginning. The prospectus says, "The YDI will consolidate its foundation so that it may compete neck-and-neck with the world's leading research institutes." It declares that "to this end the YDI will employ persons of ability and create a favorable environment so that they may be able to achieve maximum results in their respective fields." To attain this goal, the DLP plans to increase the total contributions to the YDI to 10 billion won this year, including the basic funding of 4.3 billion won from the government subsidy, and make an additional contribution of the same magnitude next year.

It was on 19 December last year that the establishment of the YDI was first made public by DLP Secretary General Mun Chong-su. But it was much earlier—in September—that a rumor about a plan to establish a research foundation began to circulate. The rumor mentioned the names of some influential politicians belonging to the faction of former RDP members, even specifying the amount of funding to the tune of 5 million won. After all the rumor has become reality, with only the speculation about the amount of funding off the mark.

The DLP's professed purpose in establishing a research institute of its own is to "develop policies in all aspects of national administration and present mid- and long-term policy directions as we enter the age of globalization, localization, and unification." However, according to a

National Assembly member who was among the group of promoters, "the purpose is to make use of those personages who by temperament have the tendency to shun the government party, through the medium of a research institute." That seems to be another motivation that cannot be ruled out.

The number of research personnel at the YDI is on a par with that at the research institute of a fairly large corporation. The YDI plans to have five or six expert researchers in each of the three divisions, political and foreign relations, economic, and social affairs. To enlist first-rate experts, the party even ran an ad for new jobs in mid-January. A total of 227 persons answered the ad. All of them hold doctorates, 110 received at home and 117 conferred overseas. Dozens of professors are included. According to the administrative officers of the institute, most of the applicants are not unemployed surplus PhD holders but currently employed at universities or research institutes. The plans are to select about 300 candidates initially by screening their applications, followed by individual interviews, before making a final decision. The party will assign a separate research room the size of about 5 to 6 pyong to each research member, pay bonuses, and offer salaries even exceeding those for the party's expert committee members who draw a monthly salary of about 1.8 million won. The party has already adopted an inside policy to ensure ample research funding for the institute.

No one has yet been chosen as director who will run the institute. The party held meetings on two occasions, 3 and 4 February, to select the director of the YDI, but failed to make a decision because opinions were divided. Quite a few candidates were mentioned: those recommended by other people or by themselves, and some from among the applicants. The names of former Ministers of Science and Technology Yi Sang-hui and Kim Chin-hyon were among them. But when it comes to the chairman of the board of directors, the post will go to DLP Secretary General Mun Chong-su because the party is the provider of the fund. Of the six board members, one is the director, and another is the chairman of the board. For the remaining four posts, the following have been chosen: No Sung-u, DLP chief of policy research; Yi Sang-hui, former minister of science and technology; Yi Won-kyong, former minister of foreign affairs (currently chairman of the LDP supporters association); and Kim Kye-su, professor emeritus, University of Foreign Studies. Selected as auditors are: Kim Chan-chin (lawyer), chairman of the DLP Socho-A District chapter; and Pak Ung-sun (public accountant), member of the DLP Petitions and Consultation Committee.

The YDI will have these three major research objectives: researches necessary for medium- and long-range planning for national administration; researches necessary for establishing policies in all aspects of state affairs such as politics, diplomacy, security, economics, and social affairs; and researches relating to national unification and foreign relations.

The party says that the YDI "will not base its operations on a supporters association as the Asia Foundation does." But Section 2, Article 5 of the bylaw, provides that "assets obtained through donations or free of charge may be utilized," giving room for the use of a supporters association.

Those in political circles pay attention to the two "political schools," suspecting that they may become the "political headquarters" through which Kim Yong-sam and Kim Tae-chung might try to exercise tremendous influence on real politics even in the "post-Two Kims era."

Brunei, Malaysia & Singapore

Malaysia

Program To Repatriate Boat People Announced

BK1204152995 Kuala Lumpur BERITA HARIAN in Malay 12 Apr 95 p 23

[FBIS Translated Text] Hanoi, Tuesday—Today Malaysia officially announced to Vietnam its program to repatriate 4,698 illegal immigrants by the end of this year.

Speaking after a meeting with the Vietnamese authorities here, the high-ranking Malaysian official who drew up the program, said he believed that the authorities understood it.

Vice Admiral Datuk Yaacob Haji Daud, director of the 7th Special Task Force in the National Security Council, said: "We can provide further assistance with regard to the repatriation process. The Vietnamese authorities understood what this entails."

The program contains elements expected to overcome the problems with repatriating the illegal immigrants. It is unlike the programs that were unsuccessfully carried out by other countries.

Yaacob stated this after a meeting with Vietnamese Deputy Foreign Minister Bui Hong Phuc and Dang Ngoc Anh, the director of immigration.

Yaacob assured Phuc and Anh that Malaysia's program will ensure that the repatriation process is carried out in a respectful and safe manner in accordance with Vietnam's request.

He said there are 4,902 boat people in Malaysia, including 32 Cambodians. A total of 4,698 Vietnamese should be repatriated, while 170 others are eligible to go to certain Third World countries.

They are currently being accommodated at the Sungai Besi rehabilitation camp.

Yaacob said that he had informed Vietnamese officials regarding the need to settle the issue this year because Malaysia will close the Sungai Besi camp on 31 August.

MCA Chief Urges Urban Chinese To Vote for BN

BK1204163595 Kuala Lumpur NEW STRAITS TIMES in English 10 Apr 95 pp 1, 2

[Report by Alex Choong]

[FBIS Transcribed Text] Kuala Lumpur, Sun. [9 April]—Urban Chinese voters were today urged to support the Barisan Nasional [BN, National Front] under the leadership of Prime Minister Datuk Sri Dr. Mahathir Mohamed who has brought tremendous progress to the country.

MCA [Malaysian Chinese Association] President Datuk Sri Dr. Ling Liong Sik, who made the call, said the urban voters' endorsement of the BN candidates would be another further endorsement of Dr. Mahathir's pragmatic and fair approach in the administration of the multiethnic, multireligious, and multicultural Malaysia.

In an interview, Dr. Ling said: "The BN is a very stable party now. This is because of the relationships among the major party leaders. These relationships stretch back to more than 10 years... such long relationships have also brought about greater understanding among ourselves."

He said there was a lot of give-and-take and the relationship was void of suspicion.

"We have been working together for a long time; there is a lot of trust and compromise. There is also a common vision and the convergence of ideals to ensure Malaysia continues to be a peaceful, stable, and prosperous nation."

As long as the respective party leaders took a moderate stance in leading their parties, he said, a strong BN government could lead the country into a very stable era.

On Dr. Mahathir's leadership, Dr. Ling said the BN chief had demonstrated a very high degree of sensitivity to the needs of all the races.

"He (Dr. Mahathir) has a fine sense of balance and has been able to hold the country in a politically stable condition."

Not only has Dr. Mahathir proven himself to be a "hero" of the Third World countries, he said, the prime minister was also well-respected by the leaders of the developed nations.

On relationship with China, he said Dr. Mahathir had brought about improved relationship between the two governments. This had brought in more than RM [Malaysian ringgit] 6 billion in trade for the country.

The prime minister had also promoted trade links with many other countries like South Africa and Latin America.

Dr. Ling said all these meant "increasing wealth being brought into the country."

He asked what the opposition under the leadership of Semangat 46 [Spirit of 46 Party] chief Tengku Razaleigh Hamzah had done.

"Razaleigh had even questioned the loyalty of the Chinese businessmen here when they started to conduct business in China."

Asked why past general elections had shown that the urban Chinese electorate had supported the opposition parties instead of MCA candidates, Dr. Ling said:

"I do not blame the urban Chinese voters. In fact, the MCA has to look at itself."

He said the party performed badly in the 1986 general election because of the party crisis from 1983 to 1985.

From 1986 to the end of 1989, the party was still under "siege" with the collapse of the 24 cooperatives and the aborted challenge from party deputy president Datuk Lee Kim Sai against Dr. Ling. Besides, the party's building almost went under receivership.

"Against such a backdrop, the Chinese community lost a lot of confidence in the party," he said, adding that the party had since consolidated itself through several renewal projects like the Langkawi Project, fund raising for the Tunku Abdul Rahman College, and independent Chinese schools.

Dr. Ling said the party also organised several community and social projects to enhance family units and reverence for elders.

"I believe all these projects would get the total support of the urban Chinese voters...to be translated into votes for the BN."

Cambodia

Government Assault on Pailin Said 'Imminent'

BK1204162395 Phnom Penh THE CAMBODIA TIMES in English 26 Mar-1 Apr 95 pp 1, 2

[Report by T. Mohan]

[FBIS Transcribed Text] Battambang—A Royal Cambodian Armed Forces (RCAF) assault on the Khmer Rouge base of Pailin is imminent.

Military sources told THE CAMBODIA TIMES that there is a two step strategy to take control of Pailin. The first of which was to drive out Khmer Rouge pockets of resistance in and around Battambang and at least 20 kilometres on either side of Route 10.

"The first step has been quite successful and the RCAF are pushing the guerrillas further and further away from Battambang and traditional strike zones of the guerrillas.

"In addition to this, the RCAF have also called on the Air Force to bombard Khmer Rouge zones in and around Pailin with Soviet-made cluster bombs.

"Each aerial bombardment consists of at least four cluster bombs which in turn have about 300 smaller bomblets each. This is the most effective way of destroying guerrilla bases and resistance pockets, particularly in dense jungles," the sources said.

The guerrillas are being subjected to at least two raids a week from two helicopters which fly at an altitude of two kilometres as this puts them out of range of Khmer Rouge anti-aircraft fire which is limited to about a kilometre and a half.

The sources said that the mopping-up operations around Battambang's provincial town is expected to further free the surrounding areas from Khmer Rouge's terrorism activities.

These activities are usually stepped up during the wet season as the flooded territories enable the guerrillas to carry out their raids via boats, thus giving them mobility.

It was also learned that the command of Military Region Number 5, which includes Battambang has been transferred to In Sidarit in an attempt to further strengthen military maneuvers there as well as to eradicate several weaknesses associated with ammunition supply and accountability.

The ground assault on Pailin is expected to take place once special forces being trained overseas return and infiltrate the guerrilla base.

Defections in and around Battambang has been scarce as the timber and gem rich base is said to be providing sufficient incentives for the guerrillas to fight rather than defect. In addition to this, the guerrillas there are also reportedly well motivated and supplied.

In recent weeks, the RCAF have also stepped up their operational pressures on Anlong Veng, near Sieam Reap, and at Khmer Rouge resistance pockets in and around Preah Vihear temple.

The Governor of Siem Reap, Toan Chay, when speaking to THE CAMBODIA TIMES, said that the guerrillas were stepping up hit and run tactics on supply routes leading to the RCAF command centre near Anlong Veng and that the same thing was happening at Preah Vihear.

It was also reliably learned a special force from Phnom Penh has also been sent to intercept the Khmer Rouge intervention force of Division 785 which has reportedly been ordered to move into position in Kompong Cham.

Khmer Rouge Predict Victory in 'Very Near Future'

BK1204132095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Apr 95

["Press communique" issued by the secretariat of the Provisional Government of National Union and National Salvation cabinet on 10 April; place not given]

[FBIS Translated Text] The cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly session today under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all members.

I. The situation in all fields and sectors clearly shows that the two-headed government is making a swift headlong plunge toward checkmate and total collapse. On all fronts—political, social, economic, financial, diplomatic, and military—the two-headed government is losing, being bled white, and gasping for breath in all areas. Its predicament is getting worse with each passing season.

During this 17th dry season alone, communist Vietnam, the alliance, and the two-headed government are suffering an extremely serious defeat. In a most painful effort, they have mobilized all resources at their disposal and launched an extremely savage and criminal operation against the people and liberated zones of Democratic Kampuchea. They have deployed this military front to redress their checkmate situation and delay their doomsday a while longer. They have been most utterly defeated again and again, however. In their defeat, they have lost everything. They now have neither troops nor commanders, neither para [former anti-Vietnamese resistance group] soldiers—lackeys of the United States—nor puppets of communist Vietnam left with which to fight.

The situation of the two-headed government—subservient lackeys of communist Vietnam—and the alliance is marked by debacles in all fields and sectors. Everyone has seen and been aware of that. Their bosses are groaning and grieving over that situation. It is for this reason that people both in the countryside and in Phnom Penh, students, functionaries, journalists, political figures, and overseas Cambodians alike are intensifying their activities against the two-headed government in all forms and by all means. Especially in the villages and communes, the brothers are uniting even more closely in smashing and sweeping away one cruel administrator after another. It is for this reason that two-headed soldiers by the hundreds are running away from the battlefields. It is also for this reason that no one is giving small coins to the two-headed government or trying to breastfeed it anymore, because everyone clearly sees that its blood has clotted in all its vessels and arteries.

II. The situation in which the two-headed government has suffered a crushing, all-around, wholesale defeat during this 17th dry season reflects the collapse of the alliance's extremely criminal strategy of colluding with communist Vietnam in escalating the war to destroy our national reconciliation and peace.

With the signing of the Paris Agreement in 1991, we had a correct basis for ending communist Vietnam's war of aggression and securing national reconciliation. UNTAC [UN Transitional Authority in Cambodia], the alliance, and communist Vietnam did not respect or implement this agreement, however. Instead, they joined hands with communist Vietnam and its puppets and lackeys to forcibly conjure up the two-headed government, to be used as their direct instrument for continuing the war thus far.

Now this strategy is going bankrupt. At home, the entire Cambodian nation and people have seen through this extremely criminal strategy and jointly attacked it, causing it to suffer defeat and collapse. Abroad, in a successive and intensifying manner, the people in the region and the rest of the world have also denounced and condemned this strategy of continuing to ignite the war.

The defeat and collapse of the two-headed government during this 17th dry season also most clearly shows that war solves nothing. War can only cause the warmongers, old and new aggressors, and their lackeys to bog down more and more deeply in the quagmire. Communist Vietnam was defeated by the Cambodian nation and people. When UNTAC came, it was also defeated by the Cambodian nation and people. The alliance's collusion with communist Vietnam and the two-headed government against the Cambodian nation and people is also facing defeat and collapse.

III. All of these events clearly show that there is only one solution, which is to end the war and achieve genuine national reconciliation and peace. That is what we want to achieve and to see achieved, and that is the objective of the struggle being waged by our nation and people most tenaciously for the past 16 years. Only with national reconciliation and peace can the people enjoy happiness and security, have time to work and live an ordinary life, and save and defend the nation and race. This issue is clear.

The PGNUNS firmly grasps this issue and situation, and joins hands with our Cambodian nation and people and those elsewhere in the region and the rest of the world in making relentless efforts and waging a constant struggle to achieve this venerable objective. In light of the favorably developing situation in which we are crushing the enemy in all fields and sectors, we are confident that genuine national reconciliation and peace will be achieved in the very near future. Nothing can prevail over the forces of the nation and people who are fighting resolutely to bring about national reconciliation and peace and save and perpetuate the nation and race. Nothing can prevail over the forces of the nation and people who are waging a struggle along the effective line of guerrilla and people's warfare and on the basis of self-reliance.

10 April 1995
The Secretariat of the PGNUNS Cabinet

Khieu Samphan Delivers New Year Message

BK1204162195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2300 GMT 12 Apr 95

[New Year statement by Khieu Samphan, prime minister and National Army minister of the Provisional Government of National Union and National Salvation, on 12 April; place not given—recorded]

[FBIS Translated Text] Esteemed and beloved comrades-in-arms who are cadres and combatants of the National Army of Democratic Kampuchea [NADK], esteemed and beloved compatriots: On our nation's traditional New Year—the Year of the Pig, 2538 of the

Buddhist era—and on behalf of the Provisional Government of National Union and National Salvation [PGNUNS], I would like to extend my warmest greetings and best wishes to all of you who are cadres and combatants of the NADK, both at the front and in the rear, and to all of our people and compatriots in the countryside, the cities, and living abroad. May all comrades and compatriots enjoy the best of health; always have an enthusiastic militant spirit; and always win victories in the common struggle to end the war of aggression of communist Vietnam, the alliance, and the two- headed government so as to bring back genuine peace and genuine national reconciliation.

All of us would like to pay special tribute and praise to our NADK comrades-in-arms. You are certainly the best sons and daughters of our nation, sharing weal and woe, life and death, and a resolute struggle under existing circumstances. This year, riding the crest of your lofty heroism, you have joined our nation and people in brilliantly implementing the line of guerrilla and people's warfare, crushing the two-headed government's military operations in the 17th dry season, and handing it a stinging defeat. This constitutes a major victory for our comrades-in-arms and our entire nation and people. It is a victory of our nation and people's will to fight resolutely for their right to live as a nation, as a people who have their own national identity, national culture, and national traditions. It is a victory of the forces of great national union coming from the countryside, Phnom Penh, and abroad and brought together in a common struggle waged with an absolute confidence in their own strength and on the basis of self-reliance. This victory is also a victory of all peace- and justice-loving countries and people in the region and the rest of the world who want to see peace and national reconciliation restored in Cambodia so that they can enjoy peace, and who are opposed to the continuation of the war that plaguing our nation and people and to the supply of arms and all types of military aid to the two-headed government. For that, we would like to express our most profound thanks to all of them.

This year the two-headed government is suffering a serious defeat in the political and social fields as well as on the military front. Nothing can save them. None of their bosses can save them. Politically and socially, they are rotting and decaying through and through. They experience one crisis after another, in all fields and in all sectors. Economically and financially, they are entirely broke. They fail in their attempt to make our people pay taxes to them, even at gunpoint. Foreign countries, too, have stopped helping them. Militarily, they have no troops left with which to fight. They have neither soldiers nor commanders left. The few remnants are either handicapped or burned out.

They were already seriously beaten up during the previous 16th dry season and monsoon; they are being seriously beaten up during this 17th dry season; and they will be even more seriously beaten up during the coming monsoon. They are in great need of troops and they cannot conscript new ones. Their future is bleak. This constitutes a defeat, a colossal defeat for the policy of aggression and warmongering of communist Vietnam, the alliance, and their stooges. The cause is that this policy runs counter to the will of the Cambodian nation and people, to the trend of countries and people in the region, and to the trend of mankind as a whole.

Esteemed and beloved compatriots, esteemed and beloved comrades-in-arms: Fortified by a resolute fighting will, adhering to the line of guerrilla and people's warfare, and relying on the formidable forces of our nation and people's great union, our comrades-in-arms, compatriots, and people have jointly struggled with the greatest vigor, tenacity, and heroism, winning one victory after another, year after year to this day when we are entering a major turning point where the traitorous, nation-selling, extremely fascist, and utterly corrupt two-headed clique of stooges and their bosses alike are sinking, drowning, and heading toward destruction.

Therefore, all comrades-in-arms and compatriots should continue to hold aloft your banner of heroism, your banner of guerrilla and people's warfare, and your banner of great national union and further intensify the struggle in all forms in order to quickly end the war, quickly restore genuine peace, quickly save our nation and people, and together join hands in rebuilding the country and making it prosperous again.

We have repeatedly stressed that our nation and people, our Democratic Kampuchea, and the PGNUNS have nurtured no intention to commit aggression against anyone and have never invaded any country. We merely want to coexist peacefully with all countries and people. On this occasion, we would like to reiterate one more time our consistent position. We implore peace- and justice-loving countries and people around the world to conduct all activities to help bring an end to the war of aggression in Cambodia so as to bring about peace to this country, the region, and the whole world.

I wish all beloved comrades-in-arms and compatriots the best in everything and more and greater successes during the new year.

Long live the forces of great national union of the Cambodian nation and people who are vanquishing the war of aggression of communist Vietnam, the alliance, and their stooges!

Phnom Penh Appeals for Food Aid for Residents

BK1204125995 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 12 Apr 95

[FBIS Translated Text] The Phnom Penh municipal government recently issued an appeal saying that during the last rainy season three outlying wards of the city were victims of floods and drought. Some 6,660 families comprising 51,792 people have been affected by the lack of food; 139 families with 653 persons in Russei Kev have been without food. The remaining families will be without food by the beginning of May. The municipal government does not have the resources to resolve this problem.

Therefore the municipal government appeals to princes, samdechs, excellencies, ladies, gentlemen, and all generous people to provide rice and other commodities to the municipal government to help prepare for this imminent food shortage.

The municipal government relies on the spirit of generous people, princes, samdechs, excellencies, ladies, and gentlemen to provide assistance to our victimized compatriots. These donations can be made at City Hall during working hours.

Indonesia

Official Denies Reported Killing of GPK Members

BK1204163295 Jakarta KOMPAS in Indonesian 12 Apr 95 p 11

[FBIS Translated Text] Jakarta, KOMPAS—Lieutenant General Suyono, the ABRI [Armed Forces of Indonesia] Chief of General Staff, stated on 10 April that reports since June 1994 regarding the killing of 37 GPK [Security Disturbance Movement] members in Irian Jaya were totally untrue.

He said: "Such reports were blown out of proportion by persons out to discredit Indonesia."

On 10 April REUTERS carried a report on the mysterious disappearance of 37 Irian Jaya residents, who were also GPK members. A large number of group members were killed by ABRI personnel while conducting operations in Irian Jaya.

Meeting with reporters, Suyono confirmed that there was a clash [preceding word in English] between the GPK members and security forces personnel. He said: "This happened some time ago. During the clash, one member of the security forces was injured and one member of the GPK was killed."

Hartono Explanation of Liquica Case Viewed

BK1204140495 Jakarta SUARA KARYA in Indonesian 8 Apr 95 p 5

[Editorial: "The Clandestine Movement and the Liquica Case"]

[FBIS Translated Text] On 3 April Army Chief of Staff General R. Hartono reported on the Honorary Officers Council's investigation into the Liquica incident in East Timor. The investigation provided a chronology of the events leading to the riots in Liquica which left six people dead and who were allegedly not members of the GPK [Security Disturbance Movement]. Hartono remarked on the failure to execute orders properly. Infantry First Lieutenant Jeremiah Kase, the team patrol leader, did not report to his superior on what actually happened during the incident.

According to Hartono, the six people killed were GPK members. Two, Ozario Soares and America Araujo, were members of the GPK armed unit led by Antoni Alves. The remaining four, Jose Nunes, Victor, Abel Nunes and Agusto Pinto, were clandestine GPK members and there was sufficient evidence of their involvement.

Speaking after the appointment of the new Military Academy governor in Magelang on 5 April, Hartono explained the dual role of the clandestine unit. The unit members displayed a good rapport with the security apparatus and the administration, but behind such a facade, they were actually members of the GPK. Hartono said: "Such people abused the positions and facilities provided by the government for the benefit of the GPK."

Hartono said that there are three GPK units: the Korsa, Selula and clandestine. All three are armed. The clandestine unit is considered the most dangerous because they maintain a close rapport with us. "In fact, their close rapport with us was only for the purpose of supporting the GPK," Hartono said.

That was why Hartono issued the order to the military commanders to monitor and arrest the leaders of the group, in an effort to prevent any further disturbance from spreading after the clandestine unit's activity in Liquica.

An example of the clandestine unit's underground activity was the demonstration by East Timorese youths at the U.S. Embassy in Jakarta in November 1994 which coincided with the meeting of the second AELM [Asian Economic Leaders Meeting] in Bogor, West Java. No one suspected that some government-funded university students were among the demonstrators.

Besides, the clandestine unit was responsible for the riots which broke out in East Timor. Further investigations indicated that they received support from some foreigners who entered the country disguised as tourists or journalists. That was why news and photographs of the riots promptly circulated abroad, only to be used later by the Fretelin [Front for an Independent East Timor] remnants and its supporters as materials for their campaign against Indonesia.

Therefore, it is only rational that we support Hartono's action in giving the order to his commanders. As such, there was also the possibility that some other elements outside East Timor were involved in trying to use the clandestine unit for their own political ends and for the sake of discrediting the ABRI [Armed Forces of Indonesia] and the Indonesian Government.

Such an assumption may be considered as an overstatement, however. Unquestionably, there are those who would do anything for the sake of achieving their political goals. Thus, we need to remain vigilant, particularly the youths in East Timor, in an effort to maintain a more secure situation that can provide assurance to other Indonesians living in East Timor who hope to continue developing the province.

Air Surveillance in South China Sea Intensified

BK1204054095 Jakarta SUARA KARYA in Indonesian 11 Apr 95 p 1

[Italicized words published in English]

[FBIS Translated Excerpt] Jakarta (SUARA KARYA)—The Indonesian Air Force must be able to cover the entire national territory and protect the nation from all kinds of threats from the air. By so doing, the Indonesian Air Force will be able to present itself as a respectable deterrent. General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI], said this in an address read by Marshal Rilo Pambudi, Air Force chief of staff, at a ceremony marking the 49th anniversary of the Indonesian Air Force at the main Halim Perdanakusuma Air Base in Jakarta on Monday [10 April].

According to the Armed Forces commander, the capability is needed to respond to challenges arising from strategic developments and rapid scientific and technological progress. As part of the ABRI, the Indonesian Air Force, which is specifically responsible for maintaining sovereignty over the nation's airspace, must be able to keep up to date through continued national defense operations throughout Indonesia.

The Armed Forces commander indicated that the Indonesian Air Force will be developed into a professional, effective, efficient, and modern force capable of responding to all challenges under a long-term military development plan. The plan is part of ABRI's determination to anticipate various future trends.

The South China Sea

After the ceremony, Marshal Rilo Pambudi, Air Force chief of staff, told reporters that the Indonesian Air Force has lately intensified surveillance over Indonesian airspace through air patrols to serve the Air Force itself as well as to assist the Indonesian Navy in monitoring the nation's waters, particularly around the South China Sea.

According to the Air Force chief of staff, Indonesia clearly has sovereignty over the Natuna Islands in the South China Sea. The islands are very strategic, particularly due to the preparations for huge natural gas projects there. Not only is the Indonesian Air Force closely cooperating with the Indonesian Navy in protecting the area, it is also cooperating with the Indonesian Army and Police in protecting other areas.

The Air Force chief of staff said this in reply to questions about the PRC's issuance of a new maritime map that includes the Natuna Islands as part of its territory. Answering questions from reporters amidst the thundering sounds of the F-16 aircraft that make up "*the Blue Falcon*," an aerobatic unit, the Air Force chief of staff confirmed that the Indonesian Air Force will continue to modernize its main weapon systems to suit the prevailing situation and conditions. The presence of F-16's in the Indonesian Air Force is part of the modernization program.

Marshal Rilo Pambudi indirectly rejected the view that there should be more sophisticated *Fighting Falcon*-type fighters in the Indonesian Air Force. The Air Force chief of staff said the present aircraft can serve as adequate "intimidators."

"Ideally, how many aircraft are needed?" the reporters pressed.

Grinning, the Air Force chief of staff said: "It is not a question of being ideal or not ideal. If you talk about being ideal, let us remember that Indonesia is almost as large as Europe plus Russia. Does this mean that we must possess as many aircraft as they have? Ha, ha, ha..."

Regarding the purchase of Hawk-100 and Hawk-200 light fighters from Britain, the Air Force chief of staff said the Indonesian Air Force will receive 24 aircraft beginning in April 1996 and they will operate in the 12th Squadron at Pakanbaru. [passage omitted]

Editorial Supports Holding Asia-Europe Summit

BK1104060895 Jakarta KOMPAS in Indonesian 6 Apr 95 p 4

[Editorial: "It Will Be Desirable If the Proposed Asia-Europe Summit Were Held"]

[FBIS Translated Text] The idea of holding an Asia-Europe Summit is an attractive one based on economic, education, and technological cooperation and is in line with the current globalization era. More sectors could be jointly exploited by Asia and Europe to provide people with more prosperity.

The proposal for the summit has been gaining some support. Indonesia and Germany have agreed to hold a summit in 1996. The proposal was made by Singapore Prime Minister Goh Chok Tong when he visited Paris in October last year.

The summit proposal is gaining ground even though all parties involved have yet to give their candid opinions. Goh's proposal was at first limited to the idea of a summit between East Asia and Europe, but this was later expanded to the proposal for an Asia-Europe summit.

The plan for a summit, which involves two continents and their communities, brings us back to 30 years ago when the Asia-Africa summit was held in Bandung. The Asian and African communities gathered there for the sake of deepening their mutual understanding and encouraging greater bilateral cooperation.

The proposal to hold the Asia-Europe summit was mooted during the meeting between President Suharto and German Foreign Minister Klaus Kinkel in Bonn, Germany last Tuesday. A similar topic was also discussed during the meeting between Foreign Minister Ali Alatas and Foreign Minister Kinkel a day before.

As Minister/State Secretary Murdiono explained, a possible problem would be the detailed plan on how to hold the summit, the venue, agendas, and invitations. Foreign Minister Ali Alatas stated that the ASEAN members had given Singapore the authority to make the necessary preparations for the proposed summit. A suggestion was made that Thailand host the proposed summit in 1996.

The technical difficulties of holding a grand-scale summit notwithstanding, we consider the summit proposal a positive and progressive step forward. The time has definitely come for Europe and Asia to review their existing relations, which are affected by previous colonization.

Times have changed and the trends in relations also have changed. In facing the future together, the time has definitely come for Asia and Europe to identify the areas that need to be jointly developed through new methods, which could provide mutual benefit.

Nations are currently interdependent on one another and no one country can exist by itself. The attitude of mistrust and suspicion should no longer exist between Asia and Europe because the two sides have similar obsessions and objectives in making their peoples more prosperous.

Thus, we are of the opinion that the Asia-Europe summit is an instrument which can further deepen mutual understanding. There is a need to discard all forms of suspicion—a legacy from the past—and develop a stronger joint framework in the fields of economy and education. As we all know, the future of mankind will depend on the capability of developing every country's expertise in research and education.

We can clearly see that current society is becoming more tardy and less disciplined in the effort to acquire and widen its educational knowledge. The developing countries are facing a problem of how to encourage its communities to possess an attitude of being critical and nonemotional that will become a gateway to the acquisition of education and high technology.

The choice of technology among nations will definitely be different. A wrong choice will not only be counterproductive, but it also will hinder the process of laying a foundation for technological advancements and the acquisition of higher education.

In the effort to acquire higher educational knowledge and technology, Asian society need not wholly imitate the West because of its cultural and environmental differences. On the other hand, Europe, which was known as the Old Continent and which has reached a saturation point in development, could make numerous contributions to help other countries become more progressive.

Asia can learn much from Europe's development process by attributing its own capabilities and dynamism as its base. Interaction is definitely needed to encourage joint development and progress. It was truly heartening to note the statement made by the German foreign minister in which he stated that Germany and the European Union are directing their attention toward the East—in this case, all the countries in East Asia, including those in Southeast Asia.

This attention also demonstrates the concentration on growing world trade activities. Europe and the Mediterranean were the major trade centers in past centuries, the Atlantic during this current century, while the Pacific will become the focus of attention for trade activities during the 21st century. Predictions for most effective economic growth are centered on the Asia-Pacific region for the upcoming century, which is just five years away.

Cooperation in numerous areas is needed to face the next century that promises numerous economic and cultural advancements. The APEC [Asia-Pacific Economic Cooperation] forum is one of the instruments which will support future economic and social development in the Asia-Pacific region.

As an open forum, the countries affiliated to the APEC will surely need to cooperate with other nations outside the region. Historically, Europe is considered a great power that developed the whole world.

It would be desirable for Europe to focus its attention on encouraging more progress in the economic, expertise, technological and education fields. This approach has yet to be implemented at an optimal level anywhere. It will not be a misdeed for Europe to act as one of the catalysts in encouraging greater worldwide progress.

Historical factors have guided the world community, including those in Asia and Europe, to simultaneously launch a transformation process for the future. We are in dire need of these types of encouragement because a large segment of the world community is still thriving under the poverty level—a portion of which lies in Asia while a larger portion exists in Africa.

Philippines

Leader of Ipil Massacre Reportedly Identified

BK1204120895 Quezon City ABC-DWET Television in Tagalog 1000 GMT 12 Apr 95

[Italicized passages spoken in English]

[FBIS Translated Text] The Muslim terrorist group that claimed responsibility for the Ipil attack in Zamboanga del Sur is reportedly led by a rebel fired by the Abu Sayyaf for kidnapping and piracy. This was revealed by

(Habib Abdul Rajid Habid Husin), allegedly a leader of the Moro National Liberation Front or MNLF, in a news conference in Zamboanga; but more recognized leaders of the MNLF say differently. Jane Glovio has the report:

[Begin recording] [Glovio] The MNLF does not accept as official the announcements of two of their officials in Zamboanga, that Milham Alam was their former member, alleged to be the leader of Islamic Command Council [ICC], the group claiming responsibility for the attack on Ipil. MNLF spokesman Reverend Absalom Cerveza said that nobody else, except himself, Zain Jali, and (Abet Teribani) has the authority to make statements, especially on the sensitive Ipil issue.

[Cerveza] *We are not accepting it as statement from the MNLF. We are not recognizing that as official statement of the MNLF even if they would carry our name,* but it seems their group has a different name, *so probably they are official spokesmen of their organization.*

[Glovio] In an interview at Camp Aguinaldo this afternoon, General Alfredo Filler, Armed Forces deputy chief of staff, admitted that they have been aware of the formation of the ICC since 1994. He also said that Alam was a former chief of staff of the MNLF that, since then, has objected to the peace negotiations between the government and the MNLF.

[Filler] *We know that they were not in agreement insofar as negotiating with the government is concerned and that he has formed this particular group in the Zamboanga peninsula together with some other commanders in that area.*

[Glovio] Nevertheless, Filler said that they have no plans to end the peace talks; in fact, they will ask for support from MNLF Chairman Nur Misuari to not allow the rebel groups to enter their camps and if they do enter, stop them and turn them over to the military.

[Filler] *We want to make sure that all the channels of dialogue between the MNLF and the government, specially at the level of the chairmen, that means Chairman Misuari and Ambassador Yan, are open.*

[Glovio] With Al Sofista, Jane Glovio, ABC News, Camp Aguinaldo. [end recording]

Camp Crame Tightens Security Against Escape

BK1204113495 Quezon City ABC-DWET Television in Tagalog 1000 GMT 12 Apr 95

[FBIS Translated Text] Security has been tightened further at Camp Crame against the anticipated attack of Muslim terrorists to rescue the six foreign terrorists previously arrested. Earlier, it was reported that Muslim terrorists are planning to sow violence in Manila, especially in crowded places, to avenge the counteroffensives of the military in Zamboanga because of the Ipil attack. According to the police, all Philippine National Police operatives are on red alert because of the rebels' plan to take the six foreign suspects from Camp Crame by force this Holy Week.

Thailand

Burmese Soldiers Killed in Tachilek Explosions

BK1304082595 Bangkok THE NATION in English 13 Apr 95 p A2

[FBIS Transcribed Text] Mae Sai—Three Burmese soldiers were killed and three other people, including one thought to be Thai, were wounded when five bombs exploded at different times shortly after midnight yesterday at the highly-protected Burmese border town of Tachilek.

The wounded were later sent across the border into Thailand's Mae Sai District for medical treatment at a local hospital.

Mae Sai District Chief Phakdi Rattanaphon ordered an investigation to find out whether one of the wounded victims, whose first name is Yongyut, is a Thai or a Burmese with a Thai name.

Yongyut, whose family name is no known, was said to be a resident of Mae Sai who crossed into Tachilek at predawn. He stepped on a mine, severely injuring his legs.

The explosions took place amid widespread rumors and fear that opium warlord Khun Sa's Mong Tai Army (MTA), which launched a successful lightning raid into Tachilek on March 20, would attack the town again between April 10-16.

Shortly after last month's MTA assault, in which three Burmese troops were killed, Burmese authorities abruptly closed the town off to crossborder communications and economic activities and began searches for MTA suspects. Heavy artillery and thousands more Burmese troops were sent in to strengthen the town, which has not been reopened since.

According to eyewitnesses, the first explosion went off at 0120 a.m. yesterday at an unidentified location. Five minutes later a second bomb exploded, accompanied by several gunshots.

At 0530 a.m., the third bomb exploded, creating chaos in the town. People on both sides of the border were in fear as they did not know if the explosions were part of a renewed MTA attack. Ten minutes later another bomb exploded, and at 0635 a.m. the fifth bomb went off.

Witnesses said the Burmese troops in Tachilek were thrown into disarray by the explosions, but at 0830 a.m. began to search for and de-activate more bombs and landmines.

Burma Trade Continues Despite Border Closure

BK1304031895 Bangkok BANGKOK POST in English 13 Apr 95 p 6

[FBIS Transcribed Text] Cross-border trade between Burma and Thailand in Mae Sai District of Chiang Rai has been slightly affected by the Burmese Government's battle with Khun Sa's Mong Tai Army, according to a provincial commerce official.

Although the battle prompted the Burmese Government to close its Tachilek pass opposite the Mae Sai checkpoint since March 26, the volume of trade last month was still much higher than that of March last year, said Wairak Walairat, Chiang Rai provincial commerce official.

Thai exports to Burma through the district last month was estimated at 320 million baht, compared with that of March 1994, which was only 171 million baht, he said.

The closure of Tachilek did not hinder cross-border trade too much because there were two other temporary border passes in Ban Muang Daeng and Ban Pang Ha villages of Mae Sai District, Mr Wairak said.

It was necessary for Thailand to open such temporary border passes as almost all consumer products of Burmese people opposite Chiang Rai were imports from Thailand he said. Otherwise, Thailand would have to face influxes of starving Burmese people, Mr Wairak said, adding that the Burmese border closure in Tachilek did not stop exports through Mae Sai.

Thai exports to the neighboring country centered around garments, medicines, refreshing beverages and cement while imports from Burma focused on precious stones, he said.

Imports from Burma through Mae Sai amounted to only slightly more than one million baht last month.

The mentioned trade volumes were only those sold through customs services and smuggled goods were actually about 200-300 percent higher, he said.

Demands on the Burmese side also prompted the Chiang Rai Chamber of Commerce to seek permission to export construction materials through the temporary border passes at Ban Muang Daeng and Ban Pang Ha, he said.

He said Thai traders had not received any payment for their exports to the Tachilek side since the battle between the Burmese Government and Khun Sa's armed forces, adding that the unpaid amount was expected to total several million baht.

Exporters Said Using Banks To Cover Currency Risk

BK1304041495 Bangkok BUSINESS DAY in English 13 Apr 95 p 1

[Report by Roy H. Reynolds: "Exporters Turn to Banks to Hedge Their Dollar Risks"]

[FBIS Transcribed Text] Thai exporters are resorting to banks to cover their currency and exchange rate risks, opening up a lucrative new market for those banks authorized to deal in foreign currencies.

As the yen and the deutsche mark surge against the baht and the U.S. dollar, export companies in Thailand are being squeezed. Thai exporters earn the bulk of their revenue in dollar-based currencies but their interest expenses or other costs are frequently denominated in yen or deutsche marks.

This means that as the dollar weakens, their ability to repay their debt and cover their interest costs is seriously undermined.

To protect against this currency risk, exporters enter 'forward contracts' with banks. In a forward currency contract, bank agrees to provide a certain amount of a specific currency on a certain date. The bank assumes the risk that the currency will become more expensive in the interim. Naturally, the bank charges a premium on such transactions.

Similarly, in a forward interest rate contract, a bank agrees to lend money at a specific interest rate at a fixed time in the future and the bank bears the risk that rates will change before that time. This allows the customer to plan his operations knowing what the cost of his debt will be.

Bank of Tokyo foreign exchange dealer, Mongkhon Mekhathanin, says "Our customers will have to make payment in yen, so they make forward contracts to hedge." Mr Mongkhon says the bank is actively recommending such hedges to its clients and he freely admits that the bank is using these forward contracts to increase its business in Bangkok.

Mongkhon added that the strong yen is spurring Japanese investment in Thailand. The high production costs associated with the strong yen reduce the competitiveness of Japanese-based companies and add to the attractiveness of countries like Thailand.

Many are moving their production facilities to Thailand. Here they can take advantage of lower costs resulting from the weaker baht and remain competitive.

Mr Mongkhon says that Thailand is "good for investors compared with other countries in Asia. Gross domestic product is projected to grow at 8.5 percent and inflation is still under control at 4.5 percent." Moreover, "local demand for consumer goods is high," he said.

Mr Mongkhon predicted that the dollar will continue to weaken against the yen, but will stabilize against other currencies, such as the deutsche mark.

Thiraphong Monthianwichianchai of Deutsche Bank AG agrees that exporters from Thailand to the United States are entering more forward contracts with local bank branches. Mr Thiraphong, who is in charge of the bank's treasury operations, says "customers are more aware of exchange risks. Exporters to the U.S. are more likely to cover forward."

He points to opportunities for exporters who earn income in foreign currencies: "A lot of exporters can sell forward. For example, a company may expect to receive a certain amount of foreign currency on a particular date. It can enter a contract to provide that currency to the bank, for a premium.

Mr Thiraphong, meanwhile, believes that Thai interest rates are artificially high, based on unfounded fears that the baht will weaken against the U.S. dollar: "Interest rates at the moment are artificial. Since the value of the baht is determined by a basket of currencies, interest rates should be the weighted average of the basket. But at the moment Thai interest rates are 6 to 8 percent higher than the basket."

"Thailand is a dream situation for the Japanese. What more can they ask for? Look for a third wave and a fourth wave. They are investing warm money, not hot money like in Mexico, Mr Thiraphong said.

The Nikkei Shinbun newspaper reported that Japanese corporations are moving operations overseas so quickly that prefectural governments are having difficulty selling land for industrial use. Deutsche Bank has established a special Japan desk, run by Japanese, to serve this market.

Mr Thiraphong believes that the currency situation will remain volatile worldwide. But, "there has been a lot of squaring of the books before the long weekend," he adds.

He says that the G-Seven group of industrialized nations may meet, but feels that even a concerted effort by the most powerful central banks will not stop the fall of the dollar. The market believes that nothing concrete is being done about the U.S. budget deficit or trade deficit with Japan."

Mr Thiraphong predicts that the yen will trade between 70 to 100 per dollar, and the deutsche mark will range from 1.55 to 1.30 per dollar.

Douglas T. Nielson, deputy-general manager of Deutsche Bank, comments that the strong deutsche mark is not bringing much German investment to Thailand, because German companies are preoccupied with developing the economy of the former East Germany and other Eastern European countries. "I would like to see more German investment in Thailand. Future growth is in Asia and the Pacific Rim. The degree of German investment in Thailand is disappointing. Mr Nielson says that the Thai Government encourages high interest rates in order to attract international capital. But this is bad for Thai firms," he adds.

Official on Rice Exports, Foreign Demand

BK1304041595 Bangkok BUSINESS DAY in English 13 Apr 95 p 2

[FBIS Transcribed Text] The price of paddy is set to rise more this year than in 1994 because of increased foreign demand, according to Deputy Commerce Minister Chaiyot Sasomsap. The deputy commerce minister said orders for rice from foreign buyers amounted to 1,600,000 tons, including 600,000 tons due to be delivered to North Korea and Iran. Negotiations were already underway for shipments to Indonesia and Bangladesh, he added.

From January 1 to April 9, rice exports totalled 2,032,386 tons, an increase of 700,000 tons over the same period last year.

Mr Chaiyot said that 5-percent paddy price quoted last week at the markets of the central region was pegged at 3,600-3,700 baht per ton, a fall of 200 baht from the previous week. White rice was quoted last week at 6,180 baht per ton, a drop of 240 baht from the previous week.

The deputy minister attributed the decrease in prices to the celebration of the Songkran festival during which time the market was much slacker.

The Rice Policy Committee, under the jurisdiction of the Commerce Ministry, had recently set up a joint program for rice exporters. The program, Mr Chaiyot said, had so far collected 901,639 tons from Thai producers for export. The scheme was considered successful as the committee had anticipated only 400,000 tons, he said.

Ministry Orders Watch on 'Political Groups'

BK1304023095 Bangkok BANGKOK POST in English 13 Apr 95 p 1

[FBIS Transcribed Text] The Interior Ministry has ordered a team of intelligence officials to keep an eye on political activities presently being undertaken by a number of political groups.

Such activities include the movements of the Confederation for Democracy and the Small-scale Farmers' Assembly over the land reform scandal, the partial fast by former pro-democracy hunger striker Chalat Worachat who is calling on Prime Minister Chuan Likphai either to dissolve the House or resign in the face of the land scandal, and the move to oppose the sacking of assistant district official Monthon Chatsuwan.

The order became effective on Sunday, the day Mr Chalat began his partial fast.

A brief report submitted to the Ministry said the situation was nothing to be overly concerned about as the general public had paid little attention to Mr Chalat's partial fast and only a few people had visited him.

The report said that if no political party or politician lends support to Mr Chalat, then his actions should not be taken too seriously by the Government.

Meanwhile, Interior Minister Sanan Khachonprasat warned Small-scale Farmers' Assembly Chairman Bamrung Khayotha to be careful not to do anything which would violate the law as he had frequently breached it before. He said the Interior Ministry was not too concerned about the move by Mr Bamrung and the assembly but wanted to warn him to do things legally.

The Ministry is not worried that the political activities will escalate into big issues. It is the Ministry's duty to maintain law and order and he believes the people will not be misled by anyone. He said officials would arrest anyone who promised to pay people to come to Bangkok to support political agitation.

Officials are to conduct an investigation to find out who is behind the moves. The Government will no longer allow any political groups to undertake illegal activities or set them free after the problem is settled.

Vietnam

Reportage on Do Muoi's Visit to South Korea

Speaks at Economic Symposium

BK1304030095 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Apr 95

[By station correspondent Dao Nguyen in Seoul]

[FBIS Translated Text] Dear friends: His Excellency Kim Yong-sam held two discussion sessions with General Secretary Do Muoi at the Presidential Palace this morning. Attending the talks on the Vietnamese side were Comrades Nguyen Manh Cam, Hong Ha, Tran Duc Luong, Vu Dinh Cu, Do Quoc Sam, Le Van Triet, and Ha Nghiep and Ambassador to South Korea Nguyen Phu Binh.

During the sessions, the two sides discussed issues of common concern between Vietnam and South Korea as well as between the Communist Party of Vietnam [CPV] and South Korea's ruling party, the Democratic Liberal Party, which President Kim Yong-sam chairs. The discussions centered on the socioeconomic development of both countries and the acceleration of cooperation on the basis of mutual benefit and friendship for the cause of regional peace, stability, and development. After the discussions, Vietnam and South Korea signed a $50 million loan agreement as overseas development aid from South Korea to Vietnam.

At midday, General Secretary Do Muoi and his entourage attended a feast at the Shilla Hotel hosted by the Federation of Korean Industries in conjunction with South Korea's Chamber of Commerce and trade and small business associations.

In the afternoon, General Secretary Do Muoi and his entourage attended the opening session of a symposium on Vietnam-South Korea economic cooperation. This is an important symposium in which 30 Vietnamese business representatives from such fields as steel production, oil and gas, cement, construction material, shoe and leather industry, and sericulture are participating. Numerous economists and representatives of major economic corporations from South Korea and other countries are attending the symposium.

In his opening address, His Excellency Choe Chong-hyon, chairman of the Federation of Korean Industries, warmly welcomed General Secretary Do Muoi. He stressed that the presence of General Secretary Do Muoi at the symposium on Vietnam-South Korea economic cooperation would create the conditions for the two countries to have more favorable opportunities in economic development for the prosperity of each country.

Speaking to the large audience of South Korean and other businessmen, General Secretary Do Muoi pointed out that three decades ago South Korea had meager mineral resources and an average per capita income of less than $100. Today, after three decades, South Korea has become a new industrialized country with many industries capable of competing in international markets. Average per capita income is now over $8,000. These facts have encouraged Comrade General Secretary Do Muoi to believe that his visit to South Korea will help consolidate confidence in the Vietnamese people's ability to turn their country into a modern and industrialized country with a prosperous people, strong country, and equitable and advanced society—the objectives determined by the CPV.

After reviewing the past development stages of Vietnam and South Korea and Vietnam's policy of encouraging foreign investment, which has helped raise South Korean investment to nearly $1 billion and trade turnover between the two countries to six times higher than before, Comrade General Secretary Do Muoi stressed:

[Begin Do Muoi recording] A number of South Korea's small companies have a presence in Vietnam, but we cannot be satisfied with this level. The potential for expanded cooperation between our countries is abundant. With a population of over 70 million, a developing economy, and steadily improving living standards, Vietnam is not a insignificant market. The Vietnamese labor force is large and possesses the traditions of industriousness, eagerness to study, cleverness, and sensitivity to new concepts. Vietnam also has diversified natural resources and a convenient geographic location at a busy intersection of the world and within a region of highly dynamic economies. Another factor that is no less important is that the success of economic renovation and political and social stability is creating favorable conditions for foreign businessmen to have peace of mind about their longterm business in Vietnam. Vietnam's peaceful open door foreign policy and other factors match the South Korean policies of globalization, diversification, and multilateralization for the future that President Kim Yong-sam has set out for the Pacific region. This is the right direction and a favorable condition creating the opportunity for development cooperation between our countries.

Friends, I want to share some ideas on the prospects for Vietnam-South Korea cooperation. In our process of modernization and industrialization, in addition to the development of agriculture, the agricultural products processing industry, and the consumer goods and export industries, we will absolutely need to develop some branches of heavy industry such as metallurgy; mechanics, including shipbuilding and automobile manufacturing; electronics; energy, including oil and gas; chemicals; and construction materials. We are working to improve and consolidate our infrastructure, refine our legal system, reform our administration, and eliminate all lengthy and annoying procedures to create favorable conditions for foreign investors, including South Korean businessmen.

Another issue of concern is the serious trade imbalance between the two countries, with the surplus in South Korea's favor. In the interest of developing mutually beneficial cooperation, we hope that the government and private sector in South Korea will create favorable conditions to increase the importation of Vietnamese goods, including those produced by joint ventures with the participation of South Korea.

We are satisfied with the scale and results of cooperation in recent years. With the agreement just reached between high-ranking Vietnamese and South Korean leaders, we are hopeful about the prospects for developing cooperative relations between the two countries in the time to come.

Today's symposium marks a further step in the cooperative relations between the businessmen of the two countries. You should be confident in pursuing cooperation activities in Vietnam in the interest of both sides and for the prosperity of both countries and the region in general.

Friends, I wish you success and sincerely thank you. [end recording]

Dear friends: Also this afternoon, General Secretary Do Muoi paid a visit to South Korean Prime Minister Yi Hong-ku. General Secretary Do Muoi and Prime Minister Yi Hong-ku exchanged opinions on the continuation of multifaceted cooperation development in the economy, science and technology, and culture between the two countries in the time to come. Prime Minister Yi Hong-ku believes that Vietnam will soon become a nation with significant status in Asia.

In the afternoon, Comrade Do Muoi and his entourage also visited and had friendly talks with cadres at our embassy and Vietnamese nationals living in South Korea. General Secretary Do Muoi spent some time visiting the Daewoo Corporation, one of the four strongest corporations in South Korea and the leading South Korean corporation investing in Vietnam.

Meets Prime Minister 12 Apr

BK1304074295 Hanoi VNA in English 0647 GMT 13 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 13—Talks were held in Seoul on April 12 between Communist Party of Vietnam [CPV] General Secretary Do Muoi and South Korean President Kim Yong-sam.

Together with Do Muoi at the talks were Mr. Nguyen Manh Cam, Politburo member of the CPV Central Committee and Foreign Minister; Mr. Hong Ha, secretary of the CPV Central Committee head of its External Relations Commission; Mr. Tran Duc Luong, member of the CPV Central Committee and deputy prime minister; Mr. Nguyen Phu Binh, Vietnamese ambassador to South Korea.

The ROK was also represented by Mr. Hong Chae-hyong, deputy prime minister and finance and economics minister; Mr. Kong No-myong, foreign minister; Mr. Pak Chae-yun, minister of trade, industry and energy; Mr. Kim Un-suk, minister of construction and transport [name and title as received] and Kim Bong Ki-u, South Korean ambassador to Vietnam.

General Secretary Do Muoi said he highly appreciated the ROK's policy of giving importance to developing cooperation with Vietnam, and affirmed Vietnam's policy to further develop the friendship and cooperation for mutual benefit with South Korea.

On Vietnam's foreign policy, the Vietnamese party chief confirmed that Vietnam always valued promoting relations with countries in the Asia-Pacific region, including South Korea, a country of great importance to Vietnam, and that Vietnam wished regional countries to join efforts to turn the Asia-Pacific into a peaceful, stable, cooperative and prosperous region.

The Vietnamese party leader continued, saying that:

"Vietnam is ready to participate in regional countries' bilateral and multilateral dialogues for that target. Regarding the disputes in the Eastern Sea [South China Sea], Vietnam has time and again affirmed that Paracel and Spratly Archipelagoes are Vietnam's territory. However, due to the disputes still remaining between some countries over these islands Vietnam has stood for maintaining the status-quo, not worsening the present situation, and not using or threatening to use force, but sitting together to settle the disputes through peaceful negotiations with concerned parties on the basis of equality, mutual understanding and respect, especially respect for sovereignty and jurisdiction of countries having sea waters towards the special economic zone and continental shelf as provided for by the UN convention on the sea in 1982. [no end quotation marks as received]

The party leader said that Vietnam followed with interest the Korean Peninsula situation, supported the Korean people's aspiration for peace, reunification and de-nuclearization of the peninsula. He welcomed progress in addressing this problem, and wished concerned sides to solve outstanding problems through peaceful negotiation on the basis of respecting national sovereignty and international laws, without the use of force or pressure.

He added that Sino-Vietnamese relations have been normalized and developed in several fields. With regard to outstanding issues between Vietnam and China, especially border and territory and those relating to the Eastern Sea in particular, Vietnam persistently solves them through negotiation on the basis of these principles.

For his part, President Kim Yong-sam who is also president of the Democratic Liberal Party said that the cooperation between the two ruling parties was great significance and expressed his wish that the two sides would continue with joint efforts to expand these relations, contributing to further development of friendship and diversified relations between the two countries.

On this occasion, General Secretary Do Muoi extended invitations on behalf of himself and President Le Duc Anh to President Kim Yong-sam to visit Vietnam. President Kim accepted the invitations with pleasure.

Commentary Praises Visit

BK1204153195 Hanoi Voice of Vietnam in English 1000 GMT 11 Apr 95

[Station commentary]

[FBIS Transcribed Text] Vietnamese party General Secretary Do Muoi arrived in Seoul on Tuesday [11 April], starting an official visit to the Republic of Korea. Here is our radio editor's opinion:

This first official visit to South Korea by Vietnam's highest leader marks an important development in friendly and cooperative relations between Vietnam and South Korea. Diplomatic relations were only established two years ago but have developed rapidly. The two sides have exchanged many delegations at different levels, including those of senior leaders. These visits contribute to strengthening mutual understanding and trust and create condition to identify measures to promote bilateral relations.

Bilateral economic relations have developed steadily. The two sides have signed agreements on encouraging and ensuring investment, on trade, civil aviation, avoidance of double taxation, and in customs cooperation. Two-way trade between Vietnam and South Korea in 1994 reached $1.02 billion, an increase of 25 percent against the previous year. And South Korea is now the third biggest trading partner of Vietnam, and ranks third in investment in Vietnam. Direct investment of South Korean companies in Vietnam is now valued at $860 million.

The two countries have initialed a framework agreement on South Korea overseas development loan at preferential rate. Cultural, scientific, and technical cooperation between the two countries have made considerable progress. Political and business circles highly value the renovation process, and appreciate Vietnam's diplomatic open-door policy. They respect their country's relations with Vietnam and consider Vietnam an important partner.

In an interview granted to South Korean television before visiting that country, Vietnam Party leader Do Muoi maintained that Vietnam and South Korea have many cultural and historical similarities. In the spirit of closing up the past and looking toward the future, relations between Vietnam and South Korea have developed rapidly on the basis of respecting each other independence and sovereignty. Party leader Do Muoi stressed that the two countries could complement each other in economic development. He hopes that his visit to South Korea would contribute to taking Vietnam-South Korean relations to a new and larger scale.

Ministry Protests German Treatment of Vietnamese

BK1304011095 Hanoi VNA in English 1544 GMT 12 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 12—Representative of Vietnam's Foreign Ministry met here today with the charge d'affaires of the German Embassy to protest against German police's violence against Vietnamese nationals living in Germany.

The police mounted raids on many flats of Vietnamese nationals' residence in Chemnitz and Berlin on April 7 and 10, and confiscated their personal property and arrested many residents there. The Vietnamese side expressed deep worry and at the same time, asked the German side to have clear account for the acts and take effective measures to immediately end and prevent the recurrence of those acts, respect human dignity and ensure safety for all Vietnamese nationals living in Germany.

National Assembly Issues Communique No. 12

BK1304011195 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 12 Apr 95

[FBIS Translated Text] The National Assembly discussed the implementation of the 1994 and 1995 socioeconomic tasks as well as the state budget in the Conference Hall today under the chairmanship of National Assembly Chairman Nong Duc Manh.

Before the deputies took the stage, National Assembly Chairman Nong Duc Manh raised a number of issues for deputies to pay attention to in their discussion. Twenty-one deputies expressed their views, focusing on:

1.The affirmation of socioeconomic achievements in the recent past;

2.Major measures to control inflation;

3.Measures to increase revenue collection and reduce losses;

4.Measures to balance revenues and expenditures and uphold precise collection;

5.The reduction of non-essential expenditures;

6.Measures to boost exports and reduce imports in order to balance imports and exports and control the import of consumer goods;

7.The continued implementation of the National Assembly resolution on fighting wasteful spending, corruption, and smuggling;

8.Investment in the socioeconomic development of mountain, island, and remote areas and former revolutionary bases;

9.Investment in public health and education; and

10.Strengthening state management and socialist law enforcement.

The National Assembly deputies will continue their discussions in the Conference Hall tomorrow on the 1994 and 1995 tasks and the state budget.

• Academic on Plight of Non-Party Intellectuals

• DAI DOAN KET Report

952E0066A Hanoi DAI DOAN KET in Vietnamese 17 Feb 95 pp 1, 3

[Article by Doan Quang Thien, MA: "The Door to Life for Intellectuals"]

[FBIS Translated Text] The door to life for intellectuals is their desire to work and carry out research from laboratories to symposiums to shed light on budding truth and to make "the tree of life evergreen." This involves nothing more than "the gray matter," but there are no intellectuals who do not wish to contribute to their country after leaving school. In the past, all intellectuals knew that they could not live beyond the means of the country, yet in their long march to follow the party, they still enthusiastically set off, accepting all hardships, living hundreds or even thousands of kilometers away from home, and going anywhere the fatherland wanted them to. In ancient times, after graduation scholars were often assigned by the imperial court to defend all parts of the country. That was a responsibility imposed by the nation on intellectuals.

After the country was reunified, responding to the party's call, countless cadres headed south, going to various places to "spin threads of silk" in service of life. There were cadres who "had queued up" for assignments throughout the period of state subsidies. Now, although their knowledge has become "rusty," they prove worthy of their fostering and education by their schools and society when they are "launched" into the sky to test their wings. There are no intellectuals who do not wish to reach the heights of science, thereby building up a reputation for themselves in history like Chu Van An, Le Quy Don, Luong The Vinh... and like contemporary celebrities such as Ton That Tung and Luong Dinh Cua. But, for many objective reasons and because of the remnants of the feudal ideology, some scientists of national stature have had to engage in individual "illegal business deals" to make a living, or to serve as "middlemen" in unscientific business activities, to offer all kinds of services, and to accept jobs outside their professional domains, only to wind up in jail on charges of "intentionally contravening state economic regulations...." A case in point is Phan Tuong Van, PhD in economics (as reported in the 5/1955 issue of LAO DONG).

Even if we have to talk about "national pride" for the umpteenth time, we have the right to say that our people are intelligent and that we are poor, but not low. Our poverty is that of those who lack proper conditions, not that of those who lack knowledge (that is, who are ignorant). We have numerous highly appreciated scientists who hold key positions in many prestigious socioeconomic domains overseas. These scientists still have not forgotten the "Vietnamese spirit" which, forged throughout our long national history, has produced many sons and daughters of great intellect, great benevolence, and great courage, with Uncle Ho being the personification of the national spirit of mutual assistance. Uncle Ho had opened the door to life for countless intellectuals. There were intellectuals whose names were changed by him to reflect our national benevolence and righteousness, in keeping with the injunction "Let us defeat cruelty with great righteousness, let us replace viciousness with great benevolence." Mr. Tran Dai Nghia is an example of this spirit.

Generally speaking, unlike our economic development, our people's level of cultural development is not too far below that of our neighboring countries (that is, an average level). Concerning the educational standard, we have more than 7,000 professors, PhD's, MA's..., along with a strong contingent of scientific and technical cadres in all branches throughout the country. But, if we look at the products that we can see everyday in the market in this open-door period, we will realize that the gray matter has not received adequate investment, or to put it more accurately, has not been put to use. Some positions, policies, laws, regulations have shown flaws immediately after they were promulgated and have failed to meet the pressing demands of socioeconomic life. Is it because we lack knowledgeable people in these domains, or because we have shut the door to these areas, thereby turning them into off-limit zones of monopoly and further "mystifying" the scientific character of a policy that needs clarification? I do not deny the need for debate in science—which can at time make the sparks fly—as an effort to find the optimal approach, not to denigrate each other. However, if there are no purity and impartiality, then people would try to turn science into a sort of "illustration" or even to distort facts to satisfy their greed for power. Jostling for scientific credit for a number of projects has appeared in some branches in which "leading," exemplary scientists are lacking, or in which there are scientists, but these cadres do not measure up to their tasks and are not sagacious enough to foresee the control of the opportunists in science. These opportunists equate power with suppression of those who refuse to side with them, thereby corrupting the morality and faith of intellectuals. An undeniable fact among the intelligentsia is that intellectuals feel more "at ease" in the south than in the "holy land" which used to hold talents in high esteem. This is not only because these intellectuals are accorded good treatment, but certainly because each of them is attracted by the esteem and tolerance shown them for the sake of the great cause. And they have worked and made contributions, achieving many worthwhile projects for life. Once the gray matter of each scientist is exploited to the fullest, it would not only help create untold wonderful things for the country but would also form a linkage between the nation and the epoch and accelerate our advance toward industrialization and modernization. As a matter of fact, the prosperity of a nation is always closely linked with its state policy of holding talents in high esteem, or "recruiting talents and welcoming intellectuals." In our time, from the businessman to the managing subject—the state—anybody who knows how to rally scientists will be able to hold his own in competition, to gain a foothold in the market, and to bring about prosperity for his country.

I am thinking about the region where my father had once "carried a sword to open up new land," a region where many high-ranking leaders have fallen or are living, but still "longing for the land of Thang Long for thousands of years." This is the land that has produced countless renowned scholars who helped open up new land and shape the fatherland, and who shared the same affectionate longing for Thang Long, the land wearing the "laurels" of the nation. The sight of Dao Duy Tu being forced to leave his birthplace by the harsh policy of the Trinh Lords is now a thing of the past, but scholars are still obsessed by the complex of the partition period, which has become a rut in their thinking, making them unwilling to put the past behind them.

When initiating the renovation undertaking, former party General Secretary Nguyen Van Linh made a famous statement: "Let us save ourselves first, God will save us later." There is no God; there is only the party whose leadership over the country is recognized by the Constitution. There is always unity between the party and science because socialism always has a scientific character; if the party had no intellect, it would not be able to lead the country. But if there are only the party's intellectuals, this would very likely lead to polarization in society, isolate the party from the people, and create antagonism instead of tolerance as far as creativity is concerned, especially regarding the intelligentsia. Even if this reality has not been specifically pointed out, it still constitutes a practice running counter to the traditional ethics of our nation, which holds that "a single tree does not make a forest." Do not let a half-opened door obstruct the way of intellectuals; let the great national cause open its arms with tolerance to allow the intellectuals right here, in the country, to contribute their energy and talent to the national renovation undertaking, thereby providing a basis for attracting the overseas intelligentsia. "For the sake of national unity and concord, it is imperative that we listen to each other's views in order to get to reason." How earnest this statement by Prime Minister Vo Van Kiet before the National Assembly on 20 November 1994 sounded! Was it not for this reason that he has proposed that the administrative apparatus at each level should have the participation of intellectuals outside the party?

We are following for the purpose of making the people prosperous, the country powerful, and civilized society does not discriminate between political opinions of people in and outside the party. Even if those opportunists who have wormed their way into the party to exert their control during the transitional period have not been identified in time, the people's loving care and respect will keep the door to life opened for intellectuals. This is because intellect, which has limitless value and is the "golden key" that opens the door to the outside world, is badly needed by any society that wants to ensure the eternal existence of a nation wishing to rise to the height of its time.

* Economist Sentenced

952E0066B Hanoi LAO DONG in Vietnamese
10 Jan 95 p 7

[Article by Tran Quang: "Ho Chi Minh City: Phan Tuong Van's Sentence Reduced From Eight Years' Imprisonment to a Suspended Sentence of Three Years in Jail"]

[FBIS Translated Text] On 7 January 1995, the Appellate Court of the Supreme People's Court in Ho Chi Minh City met to review the case of Phan Tuong Van. The adjudicatory council rescinded the charge of "abuse of confidence" against the accused for lack of a legal basis. It was on the basis of this charge that the Court of First Instance had sentenced Phan Tuong Van to six [number as published] years' imprisonment. At the same time, the adjudicatory council handed down a suspended sentence of three years in jail against the accused on charges of "intentional contravention of the law... and irresponsibility" and ordered him to pay 50 million dong in compensation.

As earlier reported in the 4/95 issue of LAO DONG published on 8 January 1995, Phan Tuong Van, a PhD in economics, had participated in many research projects contributing to national development. He was appointed director of the Daily Life Supplies Enterprise of Subward 3, Go Vap Precinct, by his locality. As the file of this case and court examination showed, Huynh Quoc Hung (head of the planning office of the enterprise) had "stage-managed" numerous economic contracts, leaving his enterprise more than 790 million dong in debt, then fled. The Court of First Instance had sentenced Phan Tuong Van to eight years in jail on the two charges of "intentional contravention of the law..." and "abuse of confidence...."

Cook Islands

Premier: CIA Plotting To Overthrow Government

BK1304071595 Hong Kong AFP in English 0701 GMT 13 Apr 95

[FBIS Transcribed Text] Avarua, April 12 (AFP)—The US Central Intelligence Agency (CIA) is masterminding a plot to overthrow the Cook Islands government, Prime Minister Sir Geoffrey Henry told parliament here Wednesday. In a ministerial statement he said the CIA had funded a new weekly newspaper, the Cook Islands Press, and the opposition Democratic Party in a bid "to destroy myself, and in the process, destroy the Cook Islands Party, and in the process, overturn the government of today".

Henry said he had instructed the country's High Commissioner in New Zealand, Iaveta Short, to immediately lodge the concerns of his government with the US embassy there.

Earlier this month the New Zealand central Reserve Bank completed a report by one of its officials, Jerse Halliday, on a purported role by the Cook Islands government in a 1.1-billion-US-dollar attempt at fraud using Cook Islands financial instruments. The fraud ultimately failed but created alarm within world banking circles.

The report was called for by New Zealand after regulatory authorities in Britain and the United States became concerned late last year about Cooks "letters of guarantee" (LOGs).

Halliday said in his report the Cooks government had been motivated by the lure of financial benefits for its people.

"The (government) is, therefore, a victim—albeit a gullible one—of an attempted fraud perpetrated by others," he said.

Henry told parliament Wednesday he believed the CIA was using the LOG issue as part of a package that, he said, aimed at subverting his government. He referred to a Television New Zealand (TVNZ) programme, Assignment, which was planning a programme on the economic problems of the Cooks and the LOGs.

The Cooks is a self-governing territory, although New Zealand has responsibility for its foreign affairs and defence, and there is a linkage between their two currencies.

Henry said the programme was part of the CIA package and he had told Short to lodge the government's concern that TVNZ was being used as a front for the US agency's purported operation. The head of TVNZ news and current affairs, Saun Brown, strongly denied they were funded by the CIA or any other foreign source.

"It is an extreme comment, it is laughable," he said. He confirmed their Assignment programme was preparing an item on the Cooks and that Henry had been invited to appear. He had refused.

Cook Islands Press publisher Jason Brown said the accusations his publication was a CIA front were incredible and an attempt to divert attention from the current economic problems. Editor Barbara Dreaver said the paper had never received funding from the CIA.

Henry said the Democratic Party had benefitted from CIA funds.

"The leader of the Democratic Party is saying that they have still got a lot of debts to settle but that does not stop the CIA lodging funds in a separate account in their name," Henry said. He also attacked Halliday, author of the LOG report.

"If you knew the facts and then you read the Halliday report, you would find it is inaccurate in several respects, inept in its writing, almost the work of a fifth former (US 10th grade)".

"It casts accusations, makes allegations, creates innuendos for which he in his investigation was unable to substantiate," Henry said.

Papua New Guinea

Court Rejects Challenge to August Election

BK1204151695 Melbourne Radio Australia in English 0500 GMT 12 Apr 95

[FBIS Transcribed Text] Papua New Guinea's [PNG] national court has thrown out a case challenging the constitutional validity of Sir Julius Chan's election as prime minister last August. Sean Dorney reports that the judge found the case brought by the deputy opposition leader and former speaker, Bill Skate, to be totally without foundation.

[Begin Dorney recording] Mr. Justice Maurice Sheehan ruled that Mr. Skate's case claiming that the election of the prime minister should not have been held on 30 August, but the next day, because he, Bill Skate, had resigned as speaker that day, was based on a total misconstruction of the section of the Constitution dealing with the prime ministerial election.

The judge said the election of the speaker was covered by its own section and both the election of Rabbi Namaliu as speaker and Sir Julius Chan as prime minister last August were plainly constitutionally correct. Mr. Skate's lawyer said outside the court there would be an appeal. [end recording]

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.